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THE WESTERN EUROPE AGRICULTURAL SITUATION

Review of 1965 and Outlook for 1966

U.S. DEPARTMENT OF AGRICULTURE
ECONOMIC RESEARCH SERVICE
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ABBREVIATIONS

CAP . . . . . Common Agricultural Policy of the European Economic Community.

EEC . . . . . European Economic Community. (Members: Belgium, Luxembourg, France, Italy, West Germany, Netherlands. Associate members: Greece, Turkey.)

EFTA . . . . . European Free Trade Association. (Members: United Kingdom, Austria, Denmark, Norway, Sweden, Switzerland, Portugal. Associate member: Finland.)

GAP . . . . . Gross Agricultural Product.

GATT . . . . . General Agreement on Tariffs and Trade.

GDP . . . . . Gross Domestic Product.

GNP . . . . . Gross National Product.

OECD . . . . . Organization for Economic Co-operation and Development. (Members: The West European countries excluding Finland; and Yugoslavia, Turkey, Japan, Canada, and the United States.)

TIME REFERENCES

Statistics refer to a calendar year unless otherwise indicated. When split year (July 1 to June 30) data are used, they are identified with a diagonal stroke such as 1964/65. Hyphens, such as 1959-61, indicate averages for several years.

THE WESTERN EUROPE AGRICULTURAL SITUATION

SUMMARY

Western Europe's economic expansion continued in 1965 but the rate of growth dropped substantially below the previous year. Economic growth rates in France and the United Kingdom fell by about one-half. The combined rate of economic growth in the EEC in 1965 was less than 4 percent compared with 5.5 percent in 1964. 1/ Wages continued to rise and labor shortages showed no signs of easing in most of the West European countries. Cost-of-living indexes continued to rise.

The EEC Council of Ministers, in its June 28-30 meeting, was unable to reach agreement on how the Common Agricultural Policy should be financed during the remaining transition period. After the June meeting, France boycotted subsequent Council meetings until the January 17-18, 1966, meeting held in Luxembourg. It is uncertain when the EEC will be able to restore activities to a more normal level.

On January 1, 1966, EFTA tariffs on industrial goods were reduced to 20 percent of the level prevailing in 1960. EFTA continues its interest in closer cooperation with the EEC. EFTA exports to the EEC began to show a slower rate of growth in 1964 which continued in 1965.

The United States, United Kingdom, Canada, and a number of other countries submitted agricultural offers on schedule (September 16, 1965) in the trade discussions under the General Agreement on Tariffs and Trade (GATT). EEC officials expressed hope of tabling agricultural offers at a later date. Major grain importing and exporting nations also carried out discussions on a world cereals agreement under GATT auspices.

Agricultural production in Western Europe in 1965 increased slightly over the previous year to a record level. 2/ The generally wet and cool summer and fall throughout most of the North European countries in 1965 provided good growing weather but resulted in a considerable amount of poor quality grain. Wheat output in Western Europe reached a new record, estimated at 45 million metric tons, but quality was below normal. Total feedgrain output remained at about the 1964 level, the rise in barley being offset by a drop in oats. Production of olive oil increased over the 1964 level but remained much below output in 1963. Cotton production was slightly higher than the 1964 crop. The output of potatoes declined further in 1965 while sugar beet production fell about 8 percent below the large 1964 crop.

The beef and veal shortage continued in Western Europe in 1965 and production dropped slightly under the previous year. Pork production, however, reached a record high in 1965 and helped to dampen beef and veal price increases. Milk production increased from 1964 aided in part by better pastures than were available a year earlier.

1/ See table 1 for economic and demographic data.

2/ For statistics on the production of crops and livestock, see tables 2 and 3.

In 1964, Western Europe's total agricultural imports were $20.7 billion while agricultural exports reached $8.1 billion. 3/ This reflects increases of 6.6 and 7.2 percent, respectively, over 1963 levels. U.S. farm exports to Western Europe in 1964 were 14 percent higher than a year earlier--$2,297 million compared with $2,014 million. The major U.S. exports were feedgrains ($493 million), oilseeds ($306 million), tobacco ($293 million) and cotton ($261 million).

U.S. agricultural exports to Western Europe in 1964/65 were about equal to the previous year, totaling $2.3 billion. Commodities showing increased shipments above the 1963/64 level included feedgrains, soybeans and products, and variety meats, while declines were experienced for cotton and tobacco.

ECONOMIC SITUATION

The economies of West European countries continued to expand during 1965, but a leveling off of the economic "boom" became apparent in a number of countries. The overall "real" growth in Gross Domestic Product (GDP) in European countries belonging to the Organization for Economic Co-operation and Development (OECD) was estimated to be 3.5 percent in 1965 compared with 5.6 percent in 1964. Growth rates in most West European countries in 1965 declined from the previous year and in France and the United Kingdom were about half those of 1964. OECD estimates show that the combined growth rate of the European Economic Community (EEC) in 1965 was about 3.4 percent compared to 5.5 percent in 1964 and 4 percent in 1963. However, the OECD combined industrial production index for Western Europe was 126 in the year ending in September 1965 compared with 121 for the preceding 12-month period (1960=100).

Inflation continued as a serious problem in most of Western Europe. By the end of September 1965, the national cost-of-living indexes were from 2 to 10 percent higher than a year earlier. The largest increases were in Spain and Denmark where the cost-of-living indexes increased more than 8 percent. Sweden and Austria reported increases of more than 5 percent. France was the only country where the cost-of-living index increased less than 3 percent.

Wages also continued to rise, and for those West European countries for which OECD data are available, the wage indexes rose considerably faster than the cost-of-living indexes. For example, by September 1965, compared with a year earlier, wage indexes rose by more than 5 percent in Austria, Belgium, France, West Germany, Italy, Netherlands, Norway, Sweden, and the United Kingdom. Ireland with an increase of 2.6 percent was the only country reporting wage increases of less than 5 percent.

Domestic demand in Western Europe rose rapidly in 1965, as indicated by retail sales. OECD data on 7 West European countries show that, for the 12 months ending September 1965, all 7 had retail sales at least 5 percent above the previous 12 month period. During this period retail sales rose 10 percent in West Germany and 9 percent in France.

Foreign demand for West European products also continued strong during the year ending September 1965. Exports of the OECD countries of Europe were up 11 percent. Exports of the EEC countries and the EFTA countries were up 12 percent and 11 percent, respectively. Exports from Belgium, Italy, and Portugal, increased one-eighth or more, but exports from Ireland and Spain declined. Imports by European countries rose less than exports during the same period, increasing 8 percent for OECD-European countries, and 7 percent for both EEC and EFTA countries.

Western Europe has had a substantial deficit in its merchandise trade balance for more than 5 years. However, overall international payments have been favorable and at the end of the third quarter of 1965, total gold and foreign exchange holdings had increased 2.4 percent from a year earlier. However, gold and foreign exchange holdings in Spain, Denmark, West Germany, Greece and Ireland in October 1965 were below the levels of a

3/ For statistics on trade, see tables 4, 5, and 6.

year earlier. West Germany experienced a significant decline in its gold and foreign exchange position as imports increased more rapidly than exports. Italy and the United Kingdom, which both had particularly difficult balance-of-payments problems in 1964, made substantial improvement in their reserve positions in 1965.

AGRICULTURAL PRODUCTION

Agricultural production in Western Europe in 1965 increased slightly above the previous year as shown in the following indexes (revised series) computed by the Economic Research Service, USDA using regional commodity production totals and regional price weights (1957-59=100):

	1960	1961	1962	1963	1964 prelim.	1965 est.
Total production	108	107	112	116	115	117
Per capita production	106	104	108	111	109	110

High levels of production generally reflected advancing technology, good growing weather, and favorable agricultural policies. However, certain crops were adversely affected by weather, both in quality and volume. Grain output and quality was lowered in most West European countries due to excessive rain, which caused severe lodging and sprouting.

Wheat production in 1965 was estimated at 45 million tons, a new record high and almost 4 percent above the previous year. The total area planted in wheat increased only slightly. Record production in Italy, France, and the United Kingdom compensated for declines in most of the remaining West European countries. In Greece, wheat production declined moderately from its record high in 1964, but surpluses continued to mount. France, which accounts for one-third of the wheat produced in Western Europe, had a wheat export availability estimated at over 4 million metric tons. A wet harvesting period resulted in poor quality wheat in many areas of Western Europe.

The production of rye continued a downtrend, due mainly to a 22 percent decline in West Germany's output in 1965. This country produces about half the total for Western Europe. Acreage devoted to rye remained about the same as in 1964.

Barley output attained another record in 1965, reaching 29 million tons, slightly above the record in 1964. The major barley-producing countries are the United Kingdom and France, which together contributed over half of total West European output in 1965. Both these countries showed increases while Germany, the fourth-ranking producing country, had a decline in excess of 500,000 tons. Barley production in Greece increased by half from the 1964 level, as producers responded to increased incentives.

Corn for grain is produced in only a few countries of Western Europe, mainly Italy and France. Total corn production was over 9 million tons in 1965, increasing around 11 percent from the low level of 1964. France's production increased by 1.3 million tons to 3.4 million tons while Italy's production dropped by 13 percent from the record 1964 crop.

The production of rice declined by 8 percent in 1965, and remained below the 1950-54 average. Rice is mainly produced in the Mediterranean countries, particularly Italy, which was responsible for over two-fifths of the total West European production in 1965.

The production of potatoes in 1965 declined by almost one-fifth compared with the 1950-54 average. In many countries, late-crop potatoes are an important livestock feed and the reduced output will increase the demand for substitute feeds.

Sugar beet production has increased substantially in the last decade. However, production of sugar beets in 1965 decreased from the 1964 level, mainly due to lower yields. Only 3 countries in Western Europe produce cotton--Greece, Italy, and Spain. Yield increases contributed to a slight increase in total output in 1965 despite a 3 percent decline in total area from the previous year. Tobacco production in 1965 dropped 7 percent below the 1964 level but remained above the 1950-54 average. Olive pro-

duction was a biennial "high" in 1965 and as a result the production of olive oil in 1965/66 will be over one and one-third times the 1964/65 level. Nearly all the production is accounted for by 4 southern countries--Greece, Italy, Portugal and Spain.

Fruit production declined in 1965 mainly due to declines in deciduous fruits, notably apples and pears. Adverse weather was responsible for these dips. The 1965 wine crop was relatively large, but the quality may not be as satisfactory as in the previous year.

Red meat production increased slightly and totaled 14.2 million tons in 1965. The increase over 1964 was due entirely to increased production of pork. Mutton and lamb were virtually unchanged and beef and veal showed a slight decline from the previous year.

The production of pork in 1965 exceeded the previous record in 1964 by more than 450,000 tons with most countries reporting advances. The major pork-producing countries in Western Europe are Germany, France, the United Kingdom, and Denmark. Low pork prices relative to beef prices, and ample supplies of pork early in 1965 encouraged some substitution of pork for beef. Later in 1965 pork prices rose and shortages were noticed, particularly in France and the South European countries.

Western Europe's total beef and veal production has declined in recent years. In 1965, the total of 5.6 million tons produced was 2 percent below 1964 and 7 percent under 1963. However, herd numbers are being replenished and were 2 to 3 percent higher in 1965 than in 1964 in a number of countries. Production decreases occurred at a time when rising income was stimulating increased demand for beef and veal. The West European beef and veal shortage was also aggravated by a tight world supply situation. Shortages are expected to continue for some time into the future.

Poultry meat production continued to expand, particularly the output of broilers. The production of milk was higher than in 1964 as most countries expanded output.

Outbreaks of hoof-and-mouth disease in Western Europe were reported in the Netherlands, Belgium, West Germany, Switzerland, Austria, and Italy during the latter part of 1965. Supplies of some meats, particularly pork, may be affected. However, reports indicate that the disease is sporadic, and far short of epidemic proportions.

AGRICULTURAL TRADE

Recent Developments: U.S. agricultural exports to Western Europe continued to expand in 1964, reaching $2.3 billion. Exports were 14 percent above 1963 and 20 percent above the 1959-61 average. Commodities showing a substantial increase in export value from 1963 to 1964 included cotton, oilseeds, feedgrains, vegetable and animal fats and oils, and hides and skins. Farm products exported from the United States to the EEC reached $1.4 billion in 1964, up about 21 percent from 1963. U.S. exports to the EFTA countries increased about 11 percent, reaching $720 million during the same period.

On a fiscal year basis, U.S. agricultural exports to Western Europe totaled $2.25 billion in 1964/65, up only slightly from 1963/64 ($2.21 billion). A year earlier the increase had amounted to 15 percent. The reduced rate of increase in U.S. agricultural exports during 1964/65 was due in large part to the record agricultural production in Western Europe in 1964. An additional factor was the 2-month longshoremen's strike at U.S. East Coast and Gulf ports. U.S. exports of feedgrains, oilseeds, and fruits and preparations to Western Europe increased in 1964/65, but declines occurred in wheat, rice, tobacco, and cotton.

Agricultural exports to the EEC during 1964/65 totaled $1.37 billion, compared with $1.33 billion the previous year. Exports of both variable levy and nonvariable levy commodities increased during this period. The only variable levy commodity showing an increase was feedgrains. The rise in U.S. exports of nonvariable levy commodities was due chiefly to the sharp increase in oilseed cake and meal. Vegetable oil exports also rose sharply. U.S. exports of wheat and flour, pork, poultry meat, rice, and cotton to the

EEC declined during the 1964/65 period while exports of tobacco remained about equal to the previous year's level.

Trade in agricultural products is increasing in Western Europe. Between 1960 and 1964, agricultural exports, including intra-European trade, rose from over $6.0 billion to $8.1 billion while agricultural imports went from $17.0 billion to $20.7 billion. The major agricultural exports of the West European countries continued to be fruits and vegetables, and meat and meat preparations. A very sharp increase (nearly 20 percent above 1963) was shown in the export of cereal and cereal preparations. Some of the major agricultural imports by West European countries in 1964 were natural fibers, fruits and vegetables, cereal and cereal preparations, and meat and meat preparations.

Total exports, including intra-European trade, increased from $50.2 billion to $69.3 billion between 1960 and 1964--an increase of 38 percent. On the other hand, total imports increased from $55.8 billion to $80.5 billion, an increase of 44 percent. In the same period agricultural exports increased 35 percent and agricultural imports 22 percent.

The EEC accounted for 56 percent of total West European imports in 1964, while EFTA countries accounted for 37 percent. Proportions were somewhat different for total exports, with the EEC accounting for 61 percent and EFTA for 34 percent. Of West Europe's agricultural imports in 1964, over 54 percent was accounted for by the EEC with West Germany and France as the largest importers. The comparable figure for agricultural exports was 59 percent, with France slightly leading the Netherlands as the major exporter. For the EFTA, agricultural imports accounted for 41 percent and agricultural exports for 27 percent of total West European import-export trade. Agricultural imports into the United Kingdom were nearly 10 times greater than those of any other EFTA country but U.K. agricultural exports were much less than Danish exports.

A study prepared by the EEC indicates that internal agricultural trade more than doubled between 1958 and 1964. Trade with nonmember countries increased by less than 40 percent during this same period. Although more than 78 percent of total agricultural imports in 1964 was from monmember countries, the proportion was nearly 86 percent in 1958.

On January 1, 1966, tariffs on intra-EFTA trade of industrial goods were reduced to 20 percent of the level prevailing in 1960. Trade between the EFTA members has expanded rapidly since the Stockholm Convention came into force in 1960. Studies completed by EFTA point to a sharp fall in the rate of increase of EFTA exports to the EEC. EFTA countries particularly feeling the brunt of this decline in the first half of 1965 were the United Kingdom, where an acutal decrease in exports occurred, and Denmark, which particularly felt the effects of the EEC's agricultural policies. EFTA is striving for closer cooperation with the EEC.

Outlook for 1965/66: U.S. agricultural exports to Western Europe during the 1965/66 period are expected to show some increase over 1964/65.

Western Europe's imports of wheat and flour are expected to at least equal the 1964/65 level despite the record 1965 output. The quality of the wheat crop was substantially below the previous year due to lodging and heavy rains during harvesting time. West German imports of wheat and flour should reach a relatively high level due to a substantial decline in domestic production as well as reduced quality. On the other hand, production expansion in the United Kingdom and France and increases from the poor 1964 crop in Spain and Portugal will act to dampen export possibilities to Western Europe.

Western Europe is expected to remain a very important feedgrain market in 1965/66. Production of feedgrains, however, was at a high level in 1965 and some low quality wheat may move into feed use. West Germany, Italy, the Netherlands, and the United Kingdom should continue as the major feedgrain markets in Western Europe in 1965/66. The United Kingdom's feedgrain imports may decline somewhat, however, due to an increase in barley output in 1965.

U.S. exports of rice to Western Europe may show some increase in 1965/66 due to production declines in Western Europe in 1965 and record supplies in the United States.

Exports of oilseed and oilseed products from the United States to Western Europe should continue to increase in 1965/66. Imports of soybeans and soybean cake and meal from the United States should continue to expand as more protein feeds are fed to livestock and poultry. Western Europe's demand for imported butter will be weak as a number of countries (in particular, West Germany) are faced with surplus stocks. U.S. exports of lard, tallow and greases to Western Europe during 1965/66 are not expected to show any increase over the previous year due largely to reduced hog slaughter in the United States and the relatively large hog slaughter in Western Europe.

The West European beef market will continue to be attractive in 1965/66 despite some seasonal decline in price in the autumn of 1965 and some expected increase in production in 1966. However, the United States is not a surplus producer of the kind of beef most desired by Europeans and faces high transportation costs. The demand for U.S. variety meats should remain strong during 1965/66. A large part of U.S. poultry exports to Western Europe have gone to the Common Market where production has risen sharply due to the effective insulation of the EEC market from outside competition. The United States has implemented a poultry promotion program in an attempt to regain a fair share of Swiss and Austrian poultry import markets.

U.S. exports of citrus to Western Europe, particularly processed citrus fruit juices and fresh grapefruit, and lemons may show some increase in 1965/66. This is due largely to increased U.S. supplies for export and to favorable U.S. prices. Reduced West European supplies of deciduous fruit, particularly in Italy--the major producing country--should result in increased U.S. exports of fresh deciduous fruit to Western Europe in 1965/66. U.S. exports of raisins and prunes to Western Europe may also increase due to large U.S. supplies. Exports of vegetables and preparations from the United States to Western Europe should equal or slightly exceed the 1964/65 level.

U.S. tobacco exports to Western Europe may show some increase in 1965/66 due to reduced output of Rhodesian flue-cured tobacco as well as economic sanctions against Rhodesia and the improved quality of the 1965 U.S. output. However, world tobacco production was at a record high level in 1965 and competition will remain keen.

The world cotton supply, at a record level in 1965/66, may result in a decline in U.S. exports to Western Europe during this period. Expansion in the output and use of manmade fibers is offering formidable competition to cotton.

COMMON MARKET SITUATION

The December 1964 grain price agreement among member nations of the European Economic Community--France, West Germany, Italy, Netherlands, Belgium, Luxembourg--was expected to provide a favorable base for significant progress in the development of the EEC's Common Agricultural Policy (CAP) in 1965. Agreement on a common grain price (to be effective by July 1, 1967) was extremely difficult to obtain as large price divergencies existed among member nations, particularly between France and West Germany. Grain price decisions were expected to help establish a basis for negotiations by the EEC in the ongoing GATT (Kennedy Round) trade negotiations. The Council of Ministers approved a schedule of policy decisions which would provide: (1) In February 1965 single prices for beef, veal, and dairy products; (2) in May 1965 new fruit and vegetable regulations and regulations on financing the CAP; and (3) in June 1965 a common policy for sugar. In addition, fats and oils and tobacco were to be brought under the CAP in 1965.

Financing the Common Agricultural Policy and the EEC Crisis: On January 14, 1962, the Council of Ministers approved Regulation No. 25 dealing with the financing of the CAP and providing for the establishment of a European Agricultural Guidance and Guarantee Fund. The guid-

ance section of the Fund was to provide funds for structural improvements in agriculture while the guarantee section was to aid member states on export subsidies and expenses incurred in domestic market intervention. Regulation No. 25, however, only covered financing of the CAP to June 30, 1965.

On April 1, 1965, the EEC Commission submitted proposals to the Council of Ministers for continued financing of the CAP. Part of the proposal was that between July 1, 1965, and July 1, 1967, the Fund continue to increase its share of the common agricultural expenses, assuming two-thirds of the cost in 1965/66 and five-sixths in 1966/67. Also, after July 1, 1967, expenditures for the guidance section--previously limited to one-third the amount spent under the guarantee section--were to become somewhat independent of the guarantee section. Three additional significant proposals were that (1) on July 1, 1967, the Fund assume all the expenses of a fully implemented CAP, (2) on July 1, 1967, all proceeds from the agricultural levies and a part of the customs duties on industrial products would flow into the Community treasury and be used to finance all Community expenditures, including the CAP, and (3) the Treaty of Rome would be modified to permit the European Parliament to exercise more control over financial questions.

The EEC Council of Ministers were unable to reach agreement on agricultural financing during the June 28-30, 1965, Council session. Since that time France has boycotted most Community meetings. As a result, the EEC is currently without a financing system for agriculture and the future of the Common Market remains uncertain. Behind the more overt disagreement on agricultural financing, however, lies the political issue of supranationality. The Treaty of Rome provision for qualified majority voting for important matters beginning January 1, 1966, and the Commission's own resources (from levy receipts and some duty receipts) are important parts of the supranationality issue.

After the June disagreement, the EEC Commission in a memorandum suggested revisions to the April 1 proposals and submitted them to the member governments. One alternative provided in the revisions was that if it proved necessary to begin a Common Market for agriculture on January 1, 1970, rather than on July 1, 1967, agricultural costs paid by the Guidance and Guarantee Fund would increase by one-tenth each year (between 1965 and 1970) with member state payments declining proportionately. The revised proposals also suggested that member state contribution to the Fund be continued until 1970 but under a new scale of payments. Member state contributions to the Fund would continue to be based partially on a scale in the Rome Treaty and partially on the volume of net agricultural imports. The Council of Ministers, however, was unable to act on the Commission's memorandum.

Kennedy Round (GATT trade negotiations): The European Economic Community did not make agricultural offers on schedule on September 16, 1965, as did the United States, United Kingdom, Canada, and a number of other countries. The Commission's representative expressed in Geneva the hope of doing so at a later date. The EEC, however, has continued to participate in GATT discussions on a world cereals agreement, which began in June 1965 following submission of grain proposals by the EEC, United States, Canada, Australia, United Kingdom, and Japan. Switzerland also joined the discussion at a later date.

Agricultural Commodity Regulations and Directives: Approximately 85 percent of the value of agricultural products produced in the EEC now fall under the CAP. Rules and regulations for a Common Agricultural Policy on cereals (except rice), feedgrains, pork, eggs, poultry meat, fruits and vegetables, and wine became effective as far back as July 30, 1962. Regulations for rice became effective on September 1, 1964, and for milk products and beef and veal on November 1, 1964. Major product groups not yet under the common policy include sugar, tobacco, and fats and oils. The Commission has not yet proposed regulations for fresh milk, which was excluded under the November 1964 dairy regulations. The Commission has proposed to the Council supplementary regulations for fruits and vegetables. Com-

mon prices are yet to be proposed for all major product sectors except wheat and feedgrains, which were decided in December 1964.

The rice regulations resemble those for other grains. There are certain differences, however, because rice is grown in only two of the Common Market countries (France and Italy). EEC imports from third countries are subject to an import levy which is the difference between the "threshold" price (minimum entry price), to be decided each year, and the adjusted c.i.f. (costs, insurance, freight) "import price," which is determined each week. During the transition period, i.e., until 1970, France and Italy will each set their own threshold prices while the nonproducing countries (West Germany, Netherlands, Belgium and Luxembourg) will have a common threshold price fixed by the EEC Council of Ministers. Intra-Community shipments of rice from France and Italy will also be subject to a levy, which will gradually decrease to zero by 1970, but here the levy is the difference between the importing country's threshold price and the producing country's export price "free-at-frontier." "Target" wholesale prices and "intervention" prices are applied to domestic rice production.

The target price for milk is the foundation of the November 1964 dairy regulations. The target price during the transition period will be set by each member country within certain agreed limits, but country prices are to move into line with a common target price (as yet undecided). Operation of the dairy regulations is complicated because many different products are involved. Milk products are divided into 13 groups with each group having a pilot product which is considered representative of the group. Butter, Cheddar cheese, and Tilsit cheese are not included in any of the 13 groups but are dealt with separately in the dairy regulation.

Reference prices, representing the market prices that prevailed in the Community before the dairy marketing regulations were established, are used in establishing threshold (minimum import) prices for the same products. Community preference is assured by increasing the threshold price to nonmember countries by a lump sum or standard amount and also reducing the threshold price for intra-Community trade by the same amount. Imports from nonmember countries are subject to levies determined as the difference between the lowest offer price at the Community frontier and the threshold price. On intra- Community trade, the levy equals the difference between the importing state's threshold price and the frontier offer price less a standard amount. The dairy market regulation also provides for subsidies on dairy exports to nonmember countries.

The EEC's beef and veal regulations, effective November 1, 1964, employ 3 methods for controlling cattle and beef imports from nonmember countries -- common external tariffs (CXT's), quotas and import certificates, and variable import levies. Variable levies are based on an "import price" which is established each week by the EEC Commission, based on representative market quotations for adult cattle in selected areas of Denmark, the United Kingdom, and Ireland. These levies are to apply only to live cattle and to dressed beef and veal and are designed to operate only when cattle prices in EEC countries decline below a specified percent of an orientation price. For example, the variable import levies are not applied at all if the average market price being quoted in the importing country is more than 5 percent above its orientation price (also called the target or guide price). The levy is to be imposed at only half the calculated rate if the domestic market price is equal to the orientation price or up to 5 percent higher. A decline in the domestic market price below the orientation price would result in the full levy being applied.

Ad valorem tariffs are applied to beef and veal items imported from nonmember countries. Rates vary within the Community but member nations are to adjust their tariffs at specified intervals to achieve a common external tariff (CXT) by January 1, 1970. The CXT for 1970 is set at 16 percent ad valorem on slaughter and feeder cattle and calves; at 20 percent ad valorem on fresh, chilled, or

frozen beef and veal, and variety meats; at 2 percent ad valorem on inedible tallow; and at a zero rate as at present on hides, skins, and casings. A global import quota of 22,000 metric tons annually of frozen processing beef for the whole of the EEC is specified in the regulation, and provision is made for establishing additional quotas. The beef and veal regulation also provides control on intra-Community trade in the form of import duties (to be phased out by 1970) and levies.

A directive on sanitary control requirements for intra-Community trade in cattle and pigs and in fresh meat went into effect on June 30, 1965. Member states are required to establish uniform sanitary control and inspection requirements and thus facilitate intra-Community trade. Cattle and pig shipments to other member countries must be accompanied by a sanitary certificate, issued by a national veterinary authority, giving place of origin, means of transportation, and other information. For intra-Community trade in fresh meats, uniform sanitary control requirements are to be attained through licensing of approved slaughterhouses. The exporting country must certify that each shipment of fresh meat was from slaughterhouses meeting prescribed minimum standards. The directive on intra-Community trade also stated that imports of meat and livestock from nonmember countries must be subject to regulations just as stringent as those applicable to intra-Community trade until a directive concerning sanitary control of these products from nonmember countries is effective. A draft directive on imports of live cattle and pigs and fresh meat from nonmember countries has now been prepared by the EEC Commission and submitted to the Council of Ministers for approval.

A fresh fruit and vegetable regulation, which was approved by the Council of Ministers on February 24, 1965, modifies the previous conditions for imposing a charge (compensatory tax), similar to the variable levy, on products of nonmembers. Such a charge is now made if the entry prices of fruits and vegetables are below Community reference prices. The charge will be equal to the difference between the reference price and a calculated entry price, such entry price being determined on the basis of the lowest prices on representative import markets in the Community minus certain duties and taxes. Under the previous (1962) fruit and vegetable regulations, authority was provided for charging a compensatory tax if the national market was seriously disturbed or threatened by imports from nonmember countries. The new regulations, however, provide for compulsory application of the compensatory tax if calculated entry prices fall below reference prices.

The EEC Commission has submitted proposals to the Council of Ministers for a common policy for fats and oils. Contained in the proposals are (1) plans for establishing a common organization of the fats and oils market; (2) plans for handling oilseed imports from the Associated African States, Madagascar, and the Overseas countries and territories; and (3) plans for a tax on vegetable oils and marine fats used in foods.

The proposals would not affect the zero import duty on oilseeds, meal, and cake. Present duties on processed products range from 3 to 8 percent for vegetable oils used for technical and industrial purposes, from 9 to 15 percent for vegetable oil used as food, and up to a 25 percent duty on margarine. Member country alignment to a common external tariff (CXT) and reduction of intra-Community duties are to be achieved during the transition period. However, the draft regulation provides for deviation from the CXT if EEC import prices for oils and oil cake are below the prices for oilseeds plus processing costs in the exporting country. Special provisions are made for olive oil production through import levies, export subsidies, and a system of target, reference, threshold, and intervention prices. Target and intervention prices are also to be established for colza, rapeseed, and sunflowerseed and possibly other oilseeds to ensure that Community producers find a ready market for their production. The oilseeds produced in the EEC are to be sold at world market prices with producers receiving direct payment of the difference between target prices and world market prices.

Imports of oilseeds, vegetable oils, and oil cake from the Associated African Countries, Madagascar, and the Overseas countries and territories are to be duty free. Special measures are to be taken if serious disturbances develop in this trade. Reference prices are annually established for peanuts, palm kernels, copra, peanut oil, coconut oil, palm kernel oil and palm oil, and the EEC provides support payments if the world market price falls below the reference rice.

The aids and interventions provided for in the fats and oils regulation are to be financed partly by a tax on fats and oils of vegetable and marine-mammal origin going into direct human consumption. Receipts from the tax are to provide a revenue of $87.5 million annually. The amount of the levy per kilogram of fat will be determined each year by the Council of Ministers. Provisions are made for West Germany and the Netherlands to wait 1 or 2 years before applying the levy.

Other Developments: Customsduties on trade within the EEC were further reduced by 10 percent on January 1, 1966. This brought duties on most liberalized agricultural products to 40 percent and on other products to 35 percent of 1957 levels. Customs duties on intra-Community trade of industrial products were reduced to 20 percent of the 1957 base level.

EEC member nations agreed in April 1965 to establish a single Council of Ministers and Commission for the three European Communities--The European Economic Community, the European Coal and Steel Community, and the European Atomic Energy Community.

Negotiations for association, or possible association, with the EEC were carried out with a number of countries, including Nigeria, Tunisia, Morocco, and Austria. A 3-year agreement was signed between the EEC and Lebanon for trade and technical assistance. The preferential trade arrangements and aid to the 17 Associated African Countries and Madagascar, established under the June 1964 Second Convention of Association, continued in 1965.

Efforts were continued to establish equality of employment opportunities and benefits for workers throughout the Community.

The Council of Ministers on June 22, 1965, agreed to a common organization of the Community's transport market.

The Future: Community officials expect the gross Community product (in real terms) to increase by 4.5 to 5 percent in 1966. A slackening in the rate of economic growth in West Germany is expected to be more than offset by increases in Italy and France. However, this forecast assumes that private investment expenditure will recover in Italy and rise more rapidly in France.

The EEC must resolve its current " crisis" before normal operations of the Community institutions can be resumed. The October Council of Ministers meeting, held without France, resulted in a written request to France that it resume its place in the Community institutions so that Europe would continue "to develop, to raise the standard of its population, and to guarantee its influence in the world." On January 17-18, 1966, the EEC Council of Ministers met in Luxembourg and appeared to make progress in resolving differences of opinion. However, the major question of how to temper the system of majority voting which was scheduled to begin January 1, 1966, was not resolved. Another meeting was scheduled for January 28-29, 1966.

SITUATION BY COUNTRY

AUSTRIA

Economic situation: Following an annual real growth of 6 percent in GNP in 1964, Austria's economy continued to expand in 1965 but at a slower rate. Preliminary estimates indicate a fall in the rate of growth of GNP in 1965 from the projected rate of 5 percent to about 4 percent. This decline was due in large part to adverse weather conditions. Industrial exports and gross fixed asset formation constitute the basic strongholds of the continued high level of business activity.

Due to expanded exports and an increase in tourism revenue, Austria's gold and foreign exchange holdings continued to increase in the first half of 1965. Total gold and foreign exchange holdings may have reached $1.4 billion in 1965. Savings deposit and commercial loans also expanded in 1965.

The growth of industrial output was retarded in the later part of 1965 due in part to adverse weather. The demand for basic raw materials weakened. At the same time, however, the building industry appeared to be recovering. Overall investment activities improved in 1965.

Private consumption continued to taper off in 1965 so that the volume of retail turnover nearly stagnated at the level of the previous year. Private incomes, reflecting rising wages and pensions, increased about 8 percent but prices at all levels also increased, particularly for staple foods. In November 1965, the consumer price index reached 126 (1958=100), 5.3 percent higher than a year earlier. Seasonal food products, largely fruits, vegetables, eggs, and potatoes, cost as much as 5 percent more than in November 1964. Nonseasonal items, on the other hand, edged up only slightly. However, continued inflation was unavoidable in 1965.

Agricultural policy: Austria's agricultural policy changed very little in 1965. The Green Plan in 1965 increased the overall allocation for grants by 32 percent from 1964. Part of these funds were to be used for agricultural restructuring programs, as payments for production adjustments, and for furthering the use of better farm management techniques. The construction of rural roads and communication was also emphasized.

Low-interest credit is available to Austrian farm and forestry operators. The repayment period of loans range from 4 to 20 years with interest rates of 1 to 3 percent. The total amount of credit made available in 1965 reached $38.5 million.

Austria continued to emphasize agricultural research, in an effort to strengthen the competitive position of domestic farmers. This will be particularly important if Austria joins the EEC. Major areas emphasized in the research program are crop production, soil science, livestock breeding and winery management. The agricultural extension service has also been expanded.

Fixed producer prices in Austria are applied only to breadgrains and milk. Although other domestically grown farm products sell at free market prices, a certain measure of Government influence is exerted in specific areas in an attempt to achieve farm income stability. Subsidy appropriations for 1965 were budgeted in the record amount of $116.7 million, 5 percent more than in 1964. In addition to the expenditures on milk and breadgrains, this subsidy also covered fertilizer subsidies, feed price reductions, and reimbursements to farmers under the cost

reduction scheme for fuel consumed in operating farm machines. Also, the Government authorized a bond issue amounting to $7.7 million to help flood victims.

Three semi-official marketing boards operate under the provisions of the Market Regulation Act. They are for grains, milk and dairy products, and livestock and other livestock products. This Act of 1958 was designed to protect farmers from foreign competition. It was extended for another year (through December 1966); and may be expanded to include other agricultural products in the future.

Austria has made progress in land consolidation projects. The area brought under this program increased 30 percent from 18,668 hectares in 1960 to 24,457 hectares in 1965. It is estimated that over 1 million hectares of land remain to be consolidated.

Agricultural production: Austria experienced heavy rainfall, much of it torrential, during 1965. Widespread flooding of farm land resulted. The freakish weather extended well into late summer. The total damage to agriculture was estimated at $70 million, representing roughtly 10 percent of agriculture's contribution to Austria's GNP.

Although Austria's total crop area in 1965 was about equal to the previous year, production declined. Breadgrain output was estimated at 1,021,000 metric tons, down 10 percent from 1964; coarse grains, 1,017,000 tons, down 16 percent; sugar beets, 1,500,000 tons, down 30 percent (the reduction being due to a decrease in acreage); potatoes, 2,690,000 metric tons, down 22 percent. Production of hay, fodder roots, and other forages were also below normal levels. The nutritive value of hay also suffered from excess moisture, causing leaching and weathering. Rapeseed output was almost 20 percent lower than in 1964 while output of tobacco and pulses is estimated at the same level. The only crop which showed any substantial increase in output was the corn harvested for use as roughage and silage; it was up about 9 percent from 1964.

Austria's meat production in 1965 is estimated as follows: beef and veal, 128,000 metric tons, down 6 percent from 1964; horse, lamb and mutton, 3,600 metric tons, down 8 percent from 1964; pork, 228,000 metric tons, up 4 percent from 1964; and poultry meat, 3,300 metric tons, up 16 percent from 1964. Production of milk and eggs showed some increase.

Agricultural inputs: The decline in the size of the farm labor force continued in 1965. The hired labor force has declined the most--from 141,000 in 1961 to 117,000 in 1964. The farm labor force now totals less than 700,000. Farm labor losses are being compensated for by increased use of farm machinery. In 1965 the total number of tractors reached 202,000, tractor mowers 112,000, and combines 19,000. The proportion of private ownership of farm machinery has increased due to the availability of long term credit at low interest rates. However, the number of cooperative machinery stations and Government-operated machinery stations has also increased, although the latter are still of minor significance.

The aggregate amount of plant nutrients applied to Austrian soils in crop year 1964/65 was 125 kilograms per hectare of cropland and grassland, compared with 116 kilograms in 1963/64 and 97 kilograms in 1962/63. The use of commercial fertilizers is relatively high in the grain and sugar beet growing areas of eastern Austria where manure generally is in short supply. In westerr Austria, with its grassland type of cattle and dairy farming, the application of commercial fertilizers is far below the national average.

Foreign trade: In the first 10 months of 1965, Austria's imports totaled about $1.7 billion while exports totaled $1.3 billion. This represents an 11 percent increase for imports and a 10 percent increase for exports over the comparable 1964 period. Trade with both the EEC and EFTA have increased. Trade has also increased with the East European Communist countries.

In 1964, while Austrian agricultural imports increased 6 percent from 1963,

agricultural exports decreased 16 percent. At the same time, United States-Austrian trade in agricultural commodities grew. Austrian imports of U.S. agricultural products in 1964 were almost 37 percent above 1963 and amounted to nearly $16 million. Farm imports from the United States consisted mainly of feedgrains, cotton, and tobacco. These 3 commodities accounted for over 75 percent of total shipments of U.S. farm products to Austria. Austria's farm exports to the United States were valued at less than $2 million in 1964.

Outlook: The decrease in domestically produced grains in 1965 will require that sizable imports be made to meet Austria's domestic requirements. Imports of quality hard wheat and durum wheat in 1965/66 may total 65,000 metric tons, compared with 46,000 metric tons in 1964. Austria will probably import a sizable tonnage of rye, estimated at 75,000 metric tons, for bread-baking purposes while in normal years no imports are needed. Low yields of corn, barley and feed potatoes will considerably raise requirements for imports of coarse grains. The total import requirements of all grains in 1965/66 are currently forecast at 1.13 million metric tons (about 88 percent feedgrains), representing an increase of almost 50 percent from the previous year.

Poultry meat, with favorable prices, is becoming increasingly competitive in relation to red meats. A continued uptrend in consumption of poultry meat is almost assured. In order to dispose of dairy surpluses, Austria will continue to export subsidized butter and dried milk on a fairly large scale. (Sheldon Tsu)

BELGIUM

Economic situation: During 1965 Belgium's GNP increased about 3 percent (in constant prices). This growth was less than the 5 percent rate of 1964 and slightly below the 1962-63 average. Belgium's economic plan called for an average annual increase in GNP of about 4 percent during 1962-65.

The labor market, although easing somewhat, is expected to remain tight. Wages rose by 8 percent in 1965, substantially less than the 12 percent increase of 1964. To ease labor shortages, the authorities are trying to attract more immigrants, encourage married women to enter the labor force, and increase the mobility of labor.

Exports of the Belgium-Luxembourg Economic Union in the first 9 months of 1965 increased 13 percent over the same period of 1964. Imports during the first 9 months of 1965 increased by 4 percent. With an increase in net invisible earnings, the official gold and foreign exchange reserves were $2,018 million in September 1965--$18 million above September 1964.

In 1962-64, agriculture's contribution to GDP was 6.3 percent, slightly lower than the 7.1 percent of a decade earlier. Belgian agricultural output has shown a marked though irregular uptrend over the past decade. Increases have been obtained with less agricultural land and a declining labor force, but with more fertilizer, machinery and imported feed.

Agricultural policy: In 1961, Belgium announced a revised agricultural policy with increased emphasis on land consolidation and improvement, capital investment, research on new technology, and the adoption of technology by increased extension and education. This policy is intended to prepare Belgian agriculture for competition with the agriculture of other EEC countries.

Belgium has developed a retirement pension scheme to encourage older farmers with small-sized operations and low incomes to leave the land. The land would then be available for structural reform. This plan was approved by the EEC, but the Commission is reported to have considered the scheme inadequate in that the requirements for participation were set too high.

Agricultural production: The area of wheat increased in 1965, but because of lower yields production was 6 percent below the record crop if 1964. About

580,000 metric tons of the 1965 crop are expected to be utilized by Belgian millers. The excess over domestic use will probably be subsidized for export to non-EEC countries, as was done in the past 2 years. However, more will be fed in 1965/66.

In 1965, total feedgrain production (including rye) was somewhat below 1964. However, the acreage was slightly above 1964.

Production of red meat increased slightly during 1965. Meat production will probably rise further in 1966, due largely to increased pork production. Numbers of breeding sows in May 1965 were up 8 percent from a year earlier and reached an all-time high. Slaughter of hogs in 1966 is forecast at 5 percent above the 1965 level. Beef and veal production was down slightly in 1965. Domestic slaughter cattle are expected to be in short supply in 1966. In May 1965, cattle numbers were 2 percent higher than two years earlier but farmers are retaining heifers and cows to enlarge the breeding herd rather than planning increased slaughter for 1966.

Milk production rose about 5 percent in 1965 as the number of milk cows increased slightly (1.2 percent). Milk production per cow also increased. During the past 3 years, less milk was used for butter and livestock feed while other uses were expanding.

Poultry meat production has increased in recent years. Egg production has declined as a result of lower egg prices following a decrease in egg exports to West Germany. However, egg prices rose in 1965 and in 1966 egg production is expected to level out.

Agricultural inputs: The agricultural labor force, which declined 46 percent between 1948 and 1964, accounted for 6 percent of the total labor force in the latter year.

Farm mechanization is proceeding rapidly. Tractor numbers increased from 47,700 in 1961 to 64,600 in 1965. Binders and stationary threshing machines have been declining in favor of combines. The number of combines increased 23 percent, while beet harvesters increased 16 percent between 1961 and 1963. The number of milking machines increased from 35,220 in 1961 to 44,000 in 1965. This is about one machine per 22 cows.

Belgian farmers apply commercial fertilizer at high rates per hectare of arable land. During the 5 years ending 1963/64, Belgian farmers increased the use of nitrogenous fertilizer (N) by 39 percent, potash fertilizer (K_2O) by 28 percent, and phosphate fertilizer (P_2O_5) by 8 percent.

In 1959, only 9 percent of all Belgian farms were over 20 hectares in size, while farms under 10 hectares represented 69 percent of total farms. The average size increased from 6.9 hectares in 1950 to 8.3 hectares in 1959. During this period, the number of farms fell 21 percent, with most of the decline in numbers of farms of less than 10 hectares. About 20 percent of Belgian farmers are employed off the farm. Of these part-time farmers, about one-half are on farms of 1 to 3 hectares in size.

Fragmentation of farms into separate plots also hinders efficient production. Belgian farms in 1959 averaged 4.9 separate plots per farm. About 14 percent of the farms had 10 or more plots per farm, while 25 percent had 5 to 9 plots per farm.

Foreign trade: 4/ In 1964, Belgian agricultural exports were 9 percent of total exports, while agricultural imports constituted 19 percent of total imports. About four-fifths of Belgium's agricultural exports go to Western Europe, and two-thirds go to EEC countries. Of their agricultural imports, about one-third comes from Western Europe, 10 percent from the EEC, and 15 percent from the United States. The most important U.S. agricultural exports to Belgium in 1964 were feedgrains, oilseeds, cotton, oil meal, fruits, and tobacco.

Belgium's most important agricultural imports in 1964 were wool, grains, fruits, vegetables, cotton, oil-

4/ Includes Luxembourg as Belgium and Luxembourg combine their foreign trade statistics.

seeds, and fats and oils. About three-fourths of the wool imports were supplied by Australia and New Zealand. A large portion of the wool was re-exported to other European countries. Belgian cotton imports increased in 1964 after declining in the previous 3 years. The U.S. share of Belgian cotton imports declined from about one-half in 1960-61 to about one-fourth in 1962-64.

In recent years, Canada has supplied over half of the total wheat imports, mainly hard wheat for blending. Argentina supplied some corn and sorghum and France supplied large quantities of barley. In 1964, the U.S. share of feedgrain imports rose to 58 percent from 49 percent in 1963.

Italy is normally the leading supplier of fruits and vegetables to Belgium, while the Netherlands also supplies vegetables. The United States supplied significant quantities of citrus and processed fruits in 1964.

Belgium imported $46 million of oilseeds in 1964, of which nearly one-half (mostly soybeans) came from the United States. Other important suppliers of oilseeds in 1963 were Nigeria and the Philippines. Belgium continues to favor oilseed imports rather than oil imports. The demand for soybeans is expected to continue to expand in the Belgian market. U.S. exports of oil cake and meal to Belgium have risen rapidly since 1956, reaching $13 million in 1964.

The most important Belgian agricultural exports are fresh vegetables. West Germany, the Netherlands, and France are important markets for Belgian vegetables. Other important agricultural exports in 1964 were eggs, meat, live animals, and sugar.

Outlook: Economic indicators suggest a moderate decrease in the rate of economic growth in 1966. The slowdown will probably result mainly from the tight domestic labor supply and the full utilization of production capacity in most sectors of the economy.

Belgian farm prices are near the average of the EEC countries. The unified prices will probably be slightly higher than present Belgian prices and will likely stimulate production of selected products. However, Belgian livestock production may be hindered by price unification because prices for imported feedgrains will be higher. Exports of livestock products to West Germany, a principal market, cannot continue to be subsidized under the Common Market regulations.

Production of pork, milk, and poultry meat is expected to increase in 1966, while production of beef will probably decline. Imports of feedgrains and oilseed products should be higher in 1965 because of increased livestock numbers.

U.S. agricultural exports to Belgium-Luxembourg were valued at $165 million in 1964, a 25 percent increase over the previous year. With rising incomes and an increasing consumer demand in Belgium, U.S. agricultural exports to Belgium, especially of feedgrains, soybeans, tobacco, and selected fruits and preparations, should continue at a high level in 1966. (George W. Coffman, Jr.)

DENMARK

Economic situation: In 1965, Denmark enjoyed another year of improvement in the standard of living because of expansion in production, exports, building activities and a high level of employment. Gross National Product in 1965 increased by about 4.5 percent (in real terms). Exports of industrial products advanced 15 percent. Unemployment in 1965 averaged 2 percent.

The foreign trade deficit for the first 9 months of 1965 totaled close to $442 million compared with $415 million for the same period in 1964. Due to relatively favorable trade development late in 1965, there were hopes that the trade deficit in 1965 as a whole would not be any greater than in 1964.

Denmark's foreign exchange position began to improve in September 1965 and continued at an accelerated rate in October. By the end of October 1965, total reserves reached a sum of $444 million, but were still 19 percent below the level at the comparable date in 1964.

Denmark continued to face inflationary pressures during 1965. The cost-of-living index increased to 112 in July, up from 110 in April (January 1963=100). By the end of the year, the cost-of-living index had increased about 7.5 percent over the previous December compared with a 5.8 percent increase in 1964. The increase in the cost of living was due largely to increases in prices of foodstuffs, particularly livestock products. Wage and salary escalations are tied to the January and July indexes.

Private investment, including building construction, increased at a slower pace in 1965 than in 1964 due to credit restraint and high interest rates. Most industrial investments were not affected by credit curbs as they were self-financing. Agricultural investments in 1965 did not rise to any appreciable extent.

Agricultural policy: The Monopoly Control Board in 1965 approved price increases for dairy and livestock products, eggs, and poultry. These price increases were carried out under the Agricultural Marketing Act which was extended through 1965/66 and 1966/67. Under the grain scheme, support prices for wheat and rye, and a minimum c.i.f. price for imported feedgrains, are established by the Government. In 1964/65, the Government provided $9 million to support breadgrains by making up the difference between the guaranteed producer price and the feedgrain price at which the grain not needed for bread is sold. For 1965/66, the Government may have to provide about $6.3 million to support breadgrains. The present breadgrain support scheme is scheduled to terminate on August 1, 1966. In addition, the Government provided $22 million in 1965 for a milk subsidy to be paid to producers on the basis of units of milk produced rather than on cow numbers or acres of farm land as in the past. Also, $1.5 million was allocated to the Federation of Danish Dairy Associations under the Government farm rationalization program. The fertilizer subsidy program was continued in 1965 and cost $7.3 million. A sum of $14.5 million was granted in 1965 to the agricultural disposal fund to be used for promotion of agricultural products abroad.

Agricultural inputs: The agricultural labor force (excluding fishing, forestry, and hunting) decreased from 470,000 in 1950 to less than 250,000 in 1965. The greatest decrease occurred in the number of hired farm workers. The decrease in the agricultural labor force reflects the movement to industry where economic expansion has created jobs with considerably higher wage rates than are available in agriculture.

The number of tractors and other equipment continued to increase in 1965. However, while the number of combines and tractors increased 15 percent and 2 percent, respectively, over the number in 1964, the number of milking machines declined by over 3 percent.

The use of fertilizers has continued to increase with nitrogenous fertilizers increasing at the fastest rate, from about 142,000 metric tons in 1963 to about 153,000 in 1964.

Agricultural production: Weather conditions in Denmark were generally unfavorable for agriculture in 1965. Although the winter was mild, Denmark had a cold spring, a dry summer, and a wet fall, particularly during the harvest period. The heavy rainfall lowered the quality of most grain crops.

On an area 2 percent larger than in the previous year, Danish farmers in 1965 harvested a slightly larger grain crop. The 557,000 metric tons of wheat produced was only slightly higher than that in 1964 because the increase in the winter wheat harvest was largely offset by a decrease in the spring crop. Rye production, estimated at roughly 270,000 tons, was somewhat lower than in 1964. Output of barley increased to 4.12 million tons compared with a harvest of 3.90 million tons in 1964. Production of oats showed some decrease while output of mixed grains was reduced substantially.

Among other crops, the poorest harvests were of sugar beets and potatoes, with decreases of 35 percent and 25 percent, respectively, from 1964 output. The total harvest of fodder root crops was

reduced by one-fourth as compared with the 1964 level while the output of grass and green fodder remained at about the same level as in 1964. Rapeseed production was 8 percent lower than the harvest in 1964.

The fruit trees blossomed abundantly but later than usual in the spring of 1965. However, the setting of apples and pears was satisfactory in most orchards. Output of commercial apples was 4 percent higher than in 1964 while commercial pear production declined by one-fifth. Output of cherries and plums was estimated to be rather small.

Beef and veal production in 1965 was at about the same level as the previous year--150,000 metric tons. Pork output increased more than 10 percent to over 750,000 metric tons. Production of mutton increased slightly but output of horsemeat was lower. Total red meat output in 1965 was about 8 percent larger than in 1964. The increase in production of lard and tallow was comparable with the increase in production of red meat.

Poultry meat production in 1965 was estimated at 77,000 tons, about 13 percent less than in 1964. Low prices and an unstable market were the major factors contributing to this decrease.

Danish milk production in 1965 is estimated to have reached 5.3 million metric tons, a 2 percent increase over 1964. The output of dairy products also is estimated to have increased by 2 percent. While the production of butter and dry milk each increased 7 percent, cheese output decreased 10 percent.

Foreign trade: From 1962 to 1964, Danish exports of agricultural products increased 22 percent--from $847 million to $1,032 million. Exports of industrial products increased more rapidly in the same period. Exports of butter, bacon, and pork in 1965 increased about 10 percent over 1964, while exports of cheese, eggs, poultry meat, beef and veal apparently dropped off. Exports of canned meat appear to have increased by about 14 percent.

While Danish agricultural exports to the EEC countries decreased by 3 percent between 1959 and 1964, industrial exports almost doubled. Agricultural exports to other EFTA countries increased 35 percent during 1959-1964. However, industrial exports to other EFTA members increased much faster.

Denmark's total imports from the United States during the first 8 months of 1965 were 10 percent higher than during the same period in 1964. Purchases of feedgrains were up 21 percent; oilseeds, 40 percent. Imports of U.S. industrial commodities also increased.

Outlook: During 1965/66, Denmark may import nearly a million metric tons of grains, an increase of some 7 to 8 percent from 1964/65. Imports of barley alone may run as high as 580,000 metric tons, which would be over one-third more than in 1964/65. Also, importation of some high quality wheat may occur, as the gluten content of the 1965 wheat crop was low.

Exports of butter by Denmark may remain at about the 1964/65 level. Large supplies of butter have resulted in price declines in some West European countries. The relatively stable market for butter in the United Kingdom is expected to persist. Cheese exports may decrease, as the major export market, West Germany, is protected by the EEC import levies.

Denmark has been able to find export markets for the increased output of bacon. In addition to the major market, the United Kingdom, other markets are expected to remain firm throughout 1965/66. Some shortage of pork is anticipated in a number of West European countries. Exports of cattle and beef and veal to traditional markets are also expected to remain firm.

Exports of poultry meat may remain at about the same level as in 1964/65 while exports of eggs may increase somewhat because of a general shortage of eggs in many countries. Exports of canned meat and canned milk are expected to continue expanding. (Sheldon Tsu)

FINLAND

Economic situation: Finland's GNP grew about 5 percent (in real terms) in 1965, compared with 6 percent in 1964. The growth of GNP was largely due to industrial expansion which has increased an average of 8 percent annually since 1958.

The requirements for imported raw materials and capital goods are increasing, and rising personal incomes have resulted in expanding consumer demand, including demand for imported consumer goods. In order to improve the trade balance which has been aggravated by inflationary pressures, the Finnish Government in 1965 initiated a program aimed at lowering imports of specific consumer goods, rather than limiting imports needed for industrial progress. These measures included credit restrictions on the financing of some imports and tax increases. Finnish exports had increased 12 percent in 1964, due principally to strong world prices for some wood-industry products, notably pulp and paper, and the exports of a rapidly developing metals sector. Nevertheless, the trade deficit for the first 8 months of 1965 was around $190 million. Inflationary pressure decreased slightly in 1965 as the economy responded to a tighter monetary policy under the stabilization program.

Agricultural policy: Agricultural policy in Finland is directed at (1) narrowing the income differentials between the farm and nonfarm sectors, and (2) maintaining self-sufficiency in the production of some commodities--particularly grains, meats, and dairy products. These policy measures are carried out in part by the fixing of producer prices in accordance with the terms of the Agricultural Price Level Act enacted in 1962. Under this Act, which expired in November 1965, target prices were fixed annually for specific levels of output for commodities such as wheat, rye, milk, beef, pork and eggs. Producer incomes for many other commodities are supported by subsidies and export programs. According to the Act, gross farm income was equivalent to income in a fixed base period (1961-62), plus an allowance for the percentage increase in farm expenses. A review of farm costs takes place annually, or semi-annually if needed. Since the general wage level had risen by nearly 9 percent from August 1964 to February 1965, producer prices in 1965 were raised accordingly. As a result producer prices for milk rose 7 percent; pork, 3 percent; and eggs, 4 percent. However, milk and pork prices were adjusted downward in September 1965. New legislation replacing the Agricultural Price Level Act is anticipated following the parliamentary elections in March 1966.

Finnish agriculture is protected against competition by variable "import fees" under the Law on Import Fees of Farm Products, effective for the calendar year 1965. The law provides for adjustments in the import fees if "average world market prices" change. Proceeds are used to: (1) reduce domestic consumer prices of agricultural products and the prices of some feeds, fats and oils, and potato flour; (2) pay some of the farm storage costs; and (3) subsidize exports.

Agricultural output: The agricultural production index in 1965 rose about 2 points to 135 (1937-39=100) setting a new record as the volume of production increased in most commodity sectors. Adverse weather during the growing and harvesting season caused a decrease in the quality of feeds and grains, particularly spring wheat. A decrease in the production of spring wheat was offset by a 60 percent increase in winter wheat due to increased acreage. Total output of wheat increased 46,000 tons from 1964 to 508,000 tons. Feedgrains registered advances as yields increased. Potato output in 1965 increased sharply over 1964's poor crop. The total output of sugar beets is estimated at 390,000 tons, down 10 percent from 1964. Due to cloudy weather during much of the growing season, the sugar content of the beets was very low.

Red meat output increased 4 percent. Milk output continued to show a surplus despite legislation in 1964 limiting certain subsidies. Production expanded to 3.9 million metric tons in 1965 in spite of a substantial decline in dairy cattle numbers. Stocks of butter continued to mount, as export markets tightened. Increases in

cheese output have been absorbed by a strong export trade.

Agricultural inputs: Finnish agriculture has been characterized by increasing mechanization. Capital expenditures for machinery continue to increase, particularly for combines, grain dryers, milking machines, and tractors. In 1964, tractors numbered 120,000, up 9 percent over 1963. Labor productivity in agriculture is relatively low in Finland, due to natural conditions and the small size of the typical Finnish farm (8.5 hectares). The number of people engaged in farming continues to decline and farmers, frequently supplement farm income by holding second jobs. However, rationalization of agriculture, and government programs to expand the area of cultivation--including extensive land reclamation projects in coastal areas--have resulted in increased output.

Continued increases in the use of fertilizers have characterized post-war agriculture in Finland. The total use of nitrogen for the 1965 crops amounted to 91,500 tons, or a fifth more than in 1964. The use of phosphoric acid increased by 13 percent, totaling 132,200 tons in 1965. The total quantity of potash for the 1965 crop was 102,400 tons, or an increase of about 12 percent over that in 1964. The use of lime has also increased in recent years because Finnish soils are usually acid. Manure is still widely used for plant nutrition along with commercial fertilizers.

In order to improve farm productivity, the Law on Basic Credit for Agriculture was put into force on September 1, 1965. Loans under the law may be granted for: (1) purchasing a whole farm or a piece of land to be added to an existing farm; (2) enabling one of the heirs to an estate to pay off the co-inheritors of a farm so it need not be divided; and (3) constructing, expanding or improving barns, stables, or other buildings for the care and housing of domestic animals.

This law supplements traditional objectives of the Finnish Government--to increase cultivatable land area, and to discourage further land fragmentation since the average size of the Finnish farm is still too small.

Foreign trade: Finnish exports are mainly of nonagricultural products, with forest products accounting for 70 percent of the total. Agricultural exports, although increasing by one-fourth in 1964, still represented only about 6 percent of total exports for that year. Agricultural exports are principally dairy products, eggs, and hides and skins.

About 15 percent of Finnish imports are agricultural products such as cereals, fruits and vegetables, sugar, coffee, tea, cocoa, oilseeds, and fibers. United States agricultural exports to Finland declined 20 percent in 1964 from the previous year, to a total value of $15.5 million. U.S. agricultural exports to Finland consist mainly of fruits and preparations, tobacco, and oilseeds. Total sales of United States products to Finland are at record levels, but agriculture's share has declined steadily.

An associate of EFTA, Finland has directed an increasing volume of trade to this market. Finland's exports of agricultural products to EFTA countries increased about 46 percent in 1964 to $30 million. Under the Treaty of Stockholm, which gave birth to EFTA, a gradual reduction of all controls on imports from EFTA partners is mandatory, with complete liberalization by 1970. Industrial tariffs have been lowered annually by EFTA partners and Finland. On August 1, 1965, the Finnish Government removed 134 commodities from import licensing and global quota limitations. The agricultural commodities removed were figs, linseed oil, olives, and some varieties of nuts.

Trade between Finland and the EEC remains strong, although trade restrictions limit Finnish exports of major commodities such as dairy products and eggs to the EEC.

During the first 8 months of 1965, total Finnish exports were 11 percent above the corresponding period for 1964. Imports during the same period were 12 percent higher. The rate of growth in both imports and exports declined from 1964.

Outlook: The Finnish economy in the past 2 years has recovered from a period of sluggishness. Nevertheless, problems such as inflation, an unfavorable balance of trade, and fluctuations in prices of wood product exports remain. Government efforts to restrain consumption and a tighter budget for 1966, plus diversified exports to growing markets, may counterbalance adverse factors. (Marshall H. Cohen)

FRANCE

Economic situation: France's gross domestic product in 1965 increased by about 2.5 percent (constant prices) as compared with 5.4 percent in 1964. The rate of growth in 1965 was the lowest since 1958, and fell substantially short of the 4 percent increase needed to achieve the Fourth Plan's average target rate of 5.5 percent.

Industrial production in 1965 was disappointing with output during the first 8 months of 1965 at about the same level as in 1964. Investments in 1965 increased by about 3 percent as compared with 6 percent in 1964. Disposable income in 1965 is estimated to have shown only a 5.5 percent increase as compared with almost 8 percent in the previous year. The rate of growth in private consumption continued to drop, decreasing from almost 7 percent in 1963 and 4 percent in 1964 to 3 percent in 1965. However, there have been indications that the economic situation is improving. The index of industrial production for the third quarter of 1965 was 3.5 percent above the comparable period in 1964. In the latter part of 1965 the export sector was also showing considerable growth. In July 1965, the government lifted the 10 percent annual growth limitation on bank credit imposed by the stabilization program in 1963, and also reduced the bank rediscount rate.

Inflation was fairly well under control in 1965. Living costs went up 2.6 percent during the 12-month period August 1964 to August 1965. There was a slackening in the growth of wages, which went up by 6.4 percent as compared with 11.4 percent in 1964. The money supply was held to an 8 percent increase, less than half of what it was before the stabilization program went into effect.

France continued to strengthen its international financial position in 1965. The balance of payments surplus will probably be about $1 billion as compared with $776 million in 1964. Official foreign exchange and gold reserves continued to improve--increasing by $276 million since December 1964 to a total of $5,381 million at the end of October 1965, of which $4,604 million was in gold.

The Fifth Economic Development Plan (1966-70) went into effect on January 1, 1966. The Fifth Plan, as approved by Parliament on November 30, 1965, calls for a 5 percent annual increase in GDP as compared with 5.5 percent in the Fourth Plan (1961-65). The Fifth Plan proposes large increases in public investment in agriculture. The planned annual rate of increase in agricultural income, which was initially proposed at 5.5 percent, was reduced to 4.8 percent. This reduced rate, however, compares favorably with the 4.4 percent rate proposed for the Fourth Plan and the 3.6 percent actually attained in the 1959-64 period. The agricultural labor force is expected to decline by 128,000 each year.

The Fifth Plan calls for sharp increases in production of all major crops except grapes for wine, but only moderate increases for production of beef and veal. Total production of grain in France is to increase by 5 to 6 million metric tons by 1970. Wheat is to account for about one-third and feedgrains two-thirds of the increase in grain production. Production of beef and veal by 1970 is to be about 2 million metric tons, or 15 percent over that in 1964. Production of refined sugar is expected to reach 2.4 million metric tons.

The Fifth Plan calls for considerable increases in the consumption of most food products, except potatoes and bread. Total meat consumption during the 1966-70 period is expected to increase by about one-fourth over that in 1962 and consumption of dairy products by about one-fifth.

Agriculture is very important in the French economy despite its decreasing

contribution to GDP. While agriculture's contribution to GDP declined from an average of 11.6 percent in the period 1952-54 to 9.1 percent in 1962-64, the value of GAP (1954 prices) rose from $5,113 million to $6,488 million in the same period. The processing of agricultural products is France's second ranking manufacturing industry.

France is the largest agricultural producer in Western Europe. The main agricultural imports are fruits and vegetables, tropical products such as coffee, cotton, wine, oilseeds and recently, some livestock products. In 1963 imported foodstuffs accounted for only 12 percent of household consumption of foodstuffs, while exports were equivalent to 11 percent of the total domestic food needs.

French agriculture, though rich and varied, has serious weaknesses. Gross agricultural product per worker is about half that in the Benelux countries and one-third that in the United States. Productivity per agricultural worker in 1962 was also only half that of workers in the rest of the economy. The average farm holding is small--about 10 hectares. There is production above domestic requirements of certain crops, particularly sugar beets, wheat, grapes for making cheap wines, butter, nonfat dry milk, and some vegetables and fruits. Farm mechanization, though progressing rapidly is still insufficient. The number of tractors in 1962, expressed in H.P. per hectare of agricultural land, was .64 H.P. as compared with 1.47 in West Germany and .95 in the Netherlands. The rural exodus, an aging farm population, and the disparity between rural and urban income levels are important aspects of the agricultural situation. Efforts are being made to correct these problems.

Agricultural policy: French agricultural policy in 1965 remained basically unchanged from recent years, except for adjustments made in the first half of 1965 to conform with the EEC's Common Agricultural Policy. The Brussels "crisis" of June 28-30 has resulted in France's nonparticipation in most EEC discussions.

In 1965 the Government stepped up several agricultural programs including consolidation of land holdings, increases in irrigation facilities, and improvements in food processing. Continued support was given to agricultural organizations which regulate, guide, and market agricultural products. The export drive for agricultural products was stepped up, particularly for soft wheat. Policies to protect domestic agricultural production from foreign competition were continued, although there was some relaxation of import restrictions on some agricultural products in short supply. Budgetary expenditures by all agencies for different agricultural programs reached $1.7 billion in 1964, or nearly double the amount in 1960. About one-fifth of the total budgetary expenditures in 1964 were for market support programs.

Agricultural production: Production of agricultural products in 1965 was generally good although the quality of some crops was low due to cool, rainy weather. Total agricultural production in 1965 increased by about 3 percent over the previous year with the production of both crops and livestock products showing an increase. Farm receipts are estimated to have increased 3.3 percent in 1965.

Production of grain in 1965 was estimated at 28.6 million metric tons, or about one-tenth above that in 1964. This exceeded the Fourth Plan's target for 1965 of 27.1 million metric tons. The grain harvest in 1965 was about one-fourth larger than the average for the period 1959-62. Total acreage devoted to grains in 1965 was up only slightly from 1964, but the harvested acreage of wheat increased 3 percent. Production of wheat in 1965, at 14.5 million metric tons, was 5 percent above that in 1964 and greatly exceeded the Fourth Plan's target of 13.7 million metric tons.

Production of feedgrains in 1965 was 16 percent larger than in 1964. The corn crop increased by 1.3 million metric tons and was over one-half larger than the poor crop of 1964. The barley crop was about 7 percent larger than in 1964. Output of oats increased slightly despite the

continued shift in acreage to other crops. Production of barley fell only slightly short of the Plan's target of 7.5 million metric tons, while corn production was almost one-fifth short of the planned 4.1 million metric tons.

Production of other crops varied. Pulse production was down from 1964 by approximately 15 percent, continuing the downward trend. Root crops produced well, although the sugar content of sugar beets was below average. The potato crop was only 4 percent larger than the poor crop in 1964. Good crops of most fruit and vegetables were produced. Production of rapeseed was up about one-fifth above 1964 while flax output was reduced by a fourth. Wine production was estimated at a record of 66.6 million hectoliters, or 10 percent above 1964's good harvest.

Livestock products account for about two-thirds of GAP. Livestock numbers total approximately 40 million head, of which slightly more than half are cattle and one-fourth sheep and goats. Hogs are almost as numerous as sheep and goats and horse numbers are estimated at 1.3 million head.

Total red meat production in 1965, estimated at 3.1 million metric tons, was 4 percent above that in 1964, but was smaller than in the peak production years of 1962-63 when cattle numbers were depleted. Total meat production was, however, 8 percent short of the target set in the Fourth Plan. Beef production recovered somewhat in 1965 and pork production reached a level about 7 percent over that in 1964. Production of mutton increased slightly. Production of milk was 2 percent over that in 1964. Output of butter, cheese, nonfat dry milk, and other dairy products increased in 1965 by about one-fifth. Poultry meat production in 1965 continued to expand, and exceeded by 7 percent the Fourth Plan's target of 435,000 metric tons. Egg production was up 9 percent from 1964.

Agricultural inputs: About 4 million people, or nearly one-fifth of the labor force, are employed in the agricultural sector. This labor force cultivates 18.5 million hectares, producing the bulk of domestic agricultural needs and supplying additional amounts permitting agriculture to account for about one-sixth of total exports. The French agricultural labor force has been declining. Rural migration is being offset by modernization of farming methods, including the increased use of farm machinery and fertilizer. The number of tractors is estimated at 1,036,000, grain combines at 105,000, and tractor cultivators at 275,000. Total fertilizer consumption doubled in the 1951-62 period to a total of 2.4 million metric tons of plant nutrients, and by 1965 it had reached 3.1 million metric tons.

Foreign trade: Government policy has a major impact on trade in agricultural products. Imports are often restricted by high import duties or import quotas. However, imports from the Franc zone are generally unrestricted. France's agricultural trade policy in recent years has been directed toward expansion of exports. Agricultural exports are actively promoted and France has bilateral trade agreements with 35 countries. Besides its membership in the EEC, France is also a member of GATT, OECD, and many other international organizations.

France was Western Europe's leading exporter and third-ranking importer of agricultural products in 1964. It is the world's fifth-ranking exporter of wheat. France's agricultural imports in 1964 amounted to $2.6 billion, a 9 percent increase over 1963. Major agricultural imports consist of fruits and vegetables, coffee and tea, oilseeds and oilnuts, meats, fats, hides and skins, wine, and fibers (including cotton). Imports of meat and meat preparations in 1964 were nearly four times those in 1961. Imports of beef and pork accounted for the bulk of meat imports. France has been the largest importer of pork in the EEC and 1964 imports totaled 96,800 metric tons, as against 80,900 tons for the remaining EEC countries.

Non-OECD countries in 1964 supplied about two-thirds of France's agricultural imports, with the Franc zone accounting for a large part of this trade. OECD countries supplied roughly one-third. Other EEC members supplied two-thirds of the agricultural imports from West European countries. The Netherlands

is France's main supplier of agricultural products, followed by the United States and Belgium-Luxembourg. U.S. agricultural exports to France in 1964 totaled $149 million, up nearly one-third from 1963. Cotton and dairy products each accounted for nearly one-third of this increase. U.S. agricultural exports to France have increased steadily in recent years. Oilseeds and products (mainly soybeans and soybean meal) showed a three-fold increase over the 1959-61 average. Sharp increases have also been registered for fruits and fruit products. Dairy products were imported from the United States in significant amounts for the first time in 1964 and totaled $9.0 million. In the first 6 months of 1965, France's dairy imports from the U.S. were valued at $6.3 million.

The value of French agricultural exports in 1964 was $1.6 billion, or 18 percent of total exports. In 1964, the EEC absorbed nearly two-thirds of France's total agricultural exports to Western Europe. Leading agricultural exports were cereals and cereal preparations, dairy products, sugar, wool and other animal fibers, wine, and fruit and vegetables. France's exports of cereals and cereal preparations continued to set new records--$130 million over those in 1963 and $225 million over 1962. Coarse grain exports in 1964 were two-thirds greater than in 1963. Mainland China's need for wheat and Russia's short wheat crops enabled France to dispose of its growing soft wheat supplies. By October 1965, nearly half of the 4.5 million tons of soft wheat available for export had been committed.

Outlook: The outlook for continued sales of U.S. farm products to France appears promising. The French market for U.S. products, except for cotton, should increase in 1966. A continued expansion in France's imports of soybeans and soybean meal from the U.S. is likely. French imports of U.S. durum wheat in 1966 will probably show an increase over the 1965 level. The French market for U.S. fresh fruits in 1966 may increase. Although the wet weather in 1965 benefited the fruit crop, it made transportation difficult and affected storage quality.

Although the trough of the beef cycle has passed, shortages of beef are expected in France during the first half of 1966. Consumer demand for beef seems to be increasing faster than domestic output. There is also a shortage of young feeder calves. However, actual development of these markets will depend on how competitive the United States is in price and on the trading policies which France implements (for example, the EEC's beef and veal regulations).

France will continue as the largest importer of pork among EEC member nations. Hog numbers increased sharply in 1965 but pork output in 1966 will continue to be far from meeting consumption requirements. The gap between French production and consumption has been widening, leading to increased imports of live animals, pork, and pork products.

France has been a significant importer of U.S. cotton but imports in 1965 are expected to have declined by 15 to 20 percent from the level in 1964. At the same time, however, France's total cotton imports have declined and are expected to continue at a low level in 1966. A severe slump in the French cotton textile industry since late 1964 is responsible for the decline.

The French market looks good in 1966 for a number of other U.S. agricultural exports, including variety meats, tallow, hides and skins, pulses, and certain types of plant seeds. (James Lopes)

WEST GERMANY

Economic situation: West Germany's GNP increased at a rate of about 9 percent (in current prices) in 1965 compared with 9.7 percent in 1964. Investment in plant and equipment continued to expand at an undiminished pace and personal consumption increased in momentum. On the other hand, inventory stocking and construction fell below previous high levels.

In June 1965, West Germany's imports exceeded exports for the first time in years. The cumulative export

surplus for the January-September period was less than one-fifth as great as during the comparable 1964 period. The Bundesbank (West Germany's central bank) has indicated that the 1965 balance-of-payments deficit may have totaled $1.7 billion, due largely to a surplus domestic demand which expanded import spending.

Living costs by October 1965 were about 3 percent above the 1964 end-of-year level. This increase was due largely to higher food prices and increased rents. Labor shortages remained throughout the economy and wages continued an upward trend. Greater concern was being evidenced over significant inflationary pressures and probable imbalance between sectors of the economy.

Agriculture (including forestry and fishing) contributed about 4.5 percent to the 1965 gross national product (GNP) which is estimated at around $112 billion. About 10 percent of the total labor force is employed in agriculture. Agriculture's relative contribution to GNP and the proportion of the labor force employed in agriculture are continuing their long-term decline.

Increasing disposable income in West Germany--up 5.6 percent in 1963, 9.7 percent in 1964 and 10 percent (estimated) in 1965--is stimulating the demand for both durable and nondurable goods. Among foodstuffs, the demand for larger quantities of animal products, particularly meats, has been very strong. At the some time, consumption of staple food products, such as cereal products and potatoes, has declined.

Agricultural policy: West German agricultural policy developments in 1965 have been dominated by Common Market developments. In December 1964, West German officials reluctantly agreed to accept unified grain prices falling about mid-way between the relatively high West German prices and the relatively low French prices. These common grain prices are scheduled to go into effect throughout the European Economic Community (EEC) by July 1, 1967. Grain price unification will result in substantial price reductions for West German producers. This is a matter of keen social, political, and economic interest and has resulted in governmental action providing additional aid to farmers.

The first step in providing additional aid was to raise 1965 subsidies to agriculture by an additional $210 million. This pushed expenditures under the 1965 Federal agricultural budget to over $1.1 billion. Nearly two-fifths of the additional $210 million provided in 1965 was paid directly to farmers on the basis of acreage and labor requirements without any connection to other specific farm programs.

On July 16, 1965, the West German Parliament passed the "Law to Promote Integration of German Agriculture in the Common Market." The law provides for annual subsidies of $257.5 million between January 1, 1966, and the end of the transition period of the Common Market (December 31, 1969). These funds are to be in addition to expenditures on current programs. The law also provides for full compensation for income reductions resulting from fixing grain prices in the EEC and provides for sugar beet price increases expected to amount to about $17.5 million annually.

West Germany's continued high subsidization of agriculture generally reflects efforts to achieve greater income parity for agricultural workers and efficiency in agriculture. As tariffs between EEC member nations are further reduced, German farmers will face even keener competition from their counterparts in other member nations.

Agricultural production: The index of net food production in West Germany reached a high of 150 in 1963/64 (1935/36-1937/38 = 100). Estimates for 1964/65 show only a very slight decline from this level but the outlook for 1965/66 is a decline of some 4 to 5 percent.

Weather conditions in West Germany during the summer of 1965, as throughout much of Northern Europe, were unusually cool and wet. Climatic conditions were thus quite favorable for crop growth, particularly for forages. In many areas, however, heavy rains during the harvesting season caused severe lodging of grain and a lowering of grain quality. Although

the area devoted to grain production in 1965 was only slightly below the 1964 level, output is estimated to have dropped sharply. The estimate of total breadgrain (wheat and rye) production in 1965 was 7.2 million metric tons, nearly 20 percent below 1964 (a record year) and over 10 percent below 1963. Total feedgrain production in 1965, estimated at 6.5 million metric tons, was more than a million metric tons below 1964 and about 850,000 metric tons below 1963.

Total red meat output in 1965 was estimated to be only slightly above 1964, with pork production accounting for the increased output. Milk production continued to increase, aided in part by better pastures than were available in 1964. The hay crop in 1965 was also relatively large but the quality is reported to be below that of the preceding year.

Potato production showed a sharp decline in 1965, falling 2.5 million metric tons below the previous year's output. Sugar beet production also declined sharply. Fruit and vegetable output continued the declining trend evidenced in recent years.

Agricultural inputs: Farms in West Germany numbered about 1.5 million in 1964. Approximately two-thirds of the farms are under 10 hectares in size. Most of these small farms are farmed on a part-time basis or used primarily for residential purposes. These small farms and the fragmentation of farmland continue as major obstacles to efficiency in West German agriculture. Programs to regroup plots of fragmented holdings are very costly and are proceeding slowly.

West Germany's agricultural labor force has been declining 4 to 5 percent annually since 1962. Hired farm workers and young family members are much more inclined to migrate from farms than are farm operators. The shortage of labor in other sectors of the economy has facilitated out-migration of farm labor. Farm labor concentration per hectare (measured in terms of full-time workers), continues to be about three times as great on farms under 5 hectares as on farms of 5 hectares or larger.

German farmers spent nearly $900 million in 1963/64 for new farm buildings and new machinery. Nearly two-thirds of this amount went for replacements. Farm debts in July 1964 totaled around $4.2 billion, more than double a decade earlier.

A million tractors are owned by West German farmers. The trend is reportedly towards the purchase of tractors with higher horsepower. Severe farm fragmentation and small plot size hampers the use of mechanized field equipment in many areas.

Foreign trade: Much of West Germany's agricultural imports are subject to variable levies as defined by the EEC market regulations. Commodities falling into this grouping include grains, poultry and eggs, pork, dairy products, and rice. Fixed duties are applied to imports of fruit and vegetables, vegetable oils, tobacco, beef and tallow. Commodities free of import duties include oilseeds, oil cakes and meals, cotton, wool, and hides and skins.

Tariffs on some agricultural imports from EEC member nations were further reduced by 10 percent on January 1, 1966. This places agricultural tariffs at 35 to 40 percent of the level at the time the Common Market was organized (January 1, 1957). During early 1965, West Germany also reduced tariffs on a selected number of agricultural items imported from nonmember countries to the EEC's CXT (common external tariff) level.

Most of West Germany's quantitative import restrictions have been replaced by EEC marketing regulations. Examples of agricultural items still subject to quantitative import restrictions, however, include alfalfa meal, refined edible vegetable oils, canned cherries and pears, canned vegetables, fresh apples and pears, white clover seed, and certain grass seeds. Other nontariff trade restrictions include the Meat Inspection Law which prohibits importation of fresh meat cuts, animal disease regulations which prohibit the import of feeder cattle from certain areas (including the United States), and stringent provisions of the Food Law which often make access difficult if not impossible for many processed foods.

Bilateral trade agrements have diminished in importance as such quantitative import restrictions are generally not permitted under the EEC marketing orders. One exception to this general rule is the German-Danish trade agreement which is to continue until the end of the EEC transition period. West German trade with the East Bloc countries is subject to a licensing system.

Agricultural exports from West Germany in 1964 were valued at $372 million, only 2.3 percent of total exports. On the other hand, the value of agricultural imports was $4.2 billion, or 28 percent of total imports. Major agricultural exports were cereal and cereal preparations, animal and vegetable oils and fats, and natural fibers. Cereal and cereal preparations and natural fibers were also major import commodities in 1964, totaling about $920 million. The most important import category, however, was fruits and vegetables, which totaled nearly $950 million.

Direct U.S. agricultural exports to West Germany in 1964 totaled $435 million, a record high. Major commodity groups include oilseeds ($82 million), unmanufactured tobacco ($67 million), feedgrains ($66 million), and cotton ($49 million). Exports showing some decline from 1963 levels included wheat and flour, fruits and preparations, vegetables and preparations, nuts and preparations, and dairy products.

Outlook: Economic activity in West Germany is expected to continue at a high level in 1966. However, there is growing concern over inflation as the pressure on resources increases. West German industrialists are becoming more concerned about production costs and the competition in both domestic and foreign markets.

A reduced wheat crop and lower quality wheat in 1965 will result in larger wheat imports during 1965/66. Some of the lower quality wheat may be diverted to feed use but import demand for feedgrains and high protein feedstuffs is likely to remain strong during 1965/66. However, forage supplies, though of poor quality, are relatively large for the winter feeding period.

Beef and veal output is expected to increase during 1966. Cattle and calves totaled 13.9 million head in June 1965, 2.3 percent more than in June 1964. Three-fourths of the increase was in animals less than a year old. Demand for beef is expected to increase further in 1966, keeping both cattle prices and import requirements at high levels.

Hog slaughter, up substantially in the latter part of 1964 and in the first half of 1965, is forecast to show some decline in 1966. At the time of the June 1965 census, hog numbers totaled 17.2 million head or 1.5 percent less than in June 1964. The number of bred sows declined 5 percent between June 1964 and June 1965. Although the comparison is with a base period when hog numbers were at very high levels, the experience of strong consumer demand and unexpected price firmness throughout 1964/65 suggests relatively high pork prices and pork import requirements in 1966.

Broiler production will likely continue to increase but the rapid rate of expansion may fall below that of recent years. West German producers are also likely to expand domestic egg production in 1966, cutting back even further on import requirements. Milk production is also expected to expand in 1966 in view of the relatively favorable milk prices and higher yields.

West Germany will probably remain a growing market for U.S. agricultural products, at least through the first half of 1966. The expanding consumption of animal products; the expected expansion in output of beef, milk, poultry, and eggs; and the relatively lower quantity and quality of the 1965 crop harvest all indicate a need for an increase in imports of feedstuffs during 1965/66. The U.S. should be in a good competitive position to sell feedgrains, oilseeds, and oil cake and meal to West Germany. In 1964/65, 40 percent of West German agricultural imports from the U.S. were oilseed and oilseed products while an additional 20 percent were grains.

The demand in West Germany for processed products is expected to be higher in 1965/66 than during the previous marketing year. U.S. cotton exports to West Germany in 1965/66 are expected to face keen competition, although enactment of a new cotton program effective August 1, 1966, is expected to make the U.S. more competitive in world markets. U.S. tobacco exports to West Germany are continuing to develop favorably, though the higher quality (and thus more expensive) U.S. leaf faces keen competition from suppliers of oriental tobacco. (Reed E. Friend)

GREECE

Economic situation: The rapid growth which has characterized the Greek economy in recent years tapered off in the first quarter of 1965. The GNP increased 6.6 percent over the corresponding period in 1964 (at 1963 market prices), considerably below the 8.5 percent increase in 1964 over 1963. Growth of agricultural output was about 5 percent in 1965, mainly due to larger crops of wheat and tobacco. The industrial sector showed an increase of about 9 percent in output. Much of the increase in industrial production took place in the leading sector, textiles, as well as in foodstuffs, tobacco processing, chemicals, nonmetallic minerals and metal products.

Greece has been heavily dependent upon increased capital inflows from abroad, both from public and private sources. The State Investment Budget, announced on March 20, 1965, called for expenditures of $217 million, of which $105 million was to originate from external sources. Budget investments are mainly directed at transportation and communications, reclamation works, and education. The appropriation to agriculture was about 45 percent above 1964. Revenue from domestic sources comes mainly from indirect taxes (69.7 percent). Direct taxes account for 18 percent of the budget from domestic sources; these taxes have been lowered in recent years.

Exports increased at a slower rate than imports in 1965, contributing to a worsening of the balance of payments. Imports for the first 8 months of 1965 were 22 percent above the corresponding period in 1964. The rise in consumer spending of 5.7 percent in 1965 was reflected by increased demand for imported consumer goods and foodstuffs.

Total capital inflows increased 56 percent in 1964 from 1963, with a rising contribution from emigrant remittances and earnings from shipping (which together represented 55 percent of total invisibles in 1964). Emigrant remittances increased about 18 percent in 1965. Tourist earnings increased 13 percent during the peak tourist season (June-October) while the number of tourist increased 27 percent.

Some recent internal inflationary pressure has been noted. The wholesale price index continued to rise in 1964, increasing by 2.7 percent over 1963. The consumer price index increased by only one percent in 1964 but rose more rapidly in 1965. This index has increased about 8 percent since 1959, mostly due to increased food costs, and rising prices in the housing, transport, and medical and personal care categories.

Agricultural policy: The broad objectives of Greek agricultural policy are to increase farmers' incomes by controlling costs and encouraging profitable production, and to use agricultural commodities to improve the balance of payments. Increased output of exportable production and the cultivation of import-substituting and higher value crops are parts of the original 5-year program initiated in 1960. At that time an annual growth rate of 3.5 percent in agricultural output was envisaged. The Long-Term Program (1962-1971) includes development of the sugar, fertilizer, and food processing industries for home market supplies, and increasing output of cereals, fruits and vegetables, cotton, and livestock products. A new policy, adopted in October 1964, outlined the following specific targets: (1) Decreasing wheat production to self-sufficiency, while increasing output of quality varieties; (2) increasing production of sugar beets, pulses, livestock feeds and forage; (3) doubling of cotton output; (4) expanding the live-

stock and dairy industries to meet increasing consumer demand.

The new program provides incentives for increasing output of a number of crops. Incentives are in the form of expanded credit, minimum guaranteed prices, and subsidies which are distributed largely on an acreage basis. Beginning in 1965, the support price for wheat was announced just prior to the sowing period rather than before the harvest in an attempt to encourage production of feedgrains and other substitute crops wherever possible. Wheat growers were encouraged to not sow wheat on irrigated land and to substitute barley in lieu of wheat wherever possible.

A land subsidy program for cotton, established in 1960, was abolished in November 1965. Instead, a production subsidy will be paid for unginned cotton. The new policy represents an estimated 50 percent increase in the assistance granted by the Government for the support of cotton production.

Greece, associated with the EEC since November 1, 1962, has taken steps to harmonize support programs with those adopted for specific commodities by the EEC member nations. Greece has expressed the desire to adopt the CAP on grains, eggs, poultry, pork, fresh fruits and vegetables. Greece has been accorded extensive duty reductions on a number of commodities exported to the EEC.

Agricultural production: The increased production of wheat and tobacco is primarily responsible for the long term expansion of total agricultural production, although 1965 output of these crops fell below the previous year. For the second successive year, Greece in 1965 produced a wheat surplus. The total surplus for 1964 and 1965 was about 850,000 tons. Large carryover stocks from the 1964 crop and lack of storage holdings resulted in a government decision to sell 500,000 tons on the world market. Wheat acreage has not substantially increased in recent years; however, yields have increased sharply as a result of favorable weather, improved varieties, and subsidy incentives.

Total red meat production increased only slightly to 188,000 metric tons in 1965 despite an 11 percent increase in beef and veal output. A temporary embargo on imports of certain meats was imposed from October 23 to December 15, 1965 to mainly relieve balance of payments pressures and to appease domestic meat producers.

Production of tobacco was about 115,000 tons in 1965, about 15 percent below 1964. Stocks are at high levels, about 28,000 tons. Policy aimed at area control has limited each farmer to 2 hectares for tobacco, and quantity control is presently being considered.

Cotton production amounted to 72,000 metric tons in 1965, up 7 percent. Government policy has been directed at use of irrigated land for cotton production. Ten years ago, 39 percent of the cotton was grown on irrigated land and in 1965 the percentage was around 80. Labor shortages and small plot size have made mechanization difficult and have held production down.

Good weather contributed to increased olive production in 1965, the high year of the biennial cycle. The 1965 crop is estimated at 190,000 tons of olive oil and 62,000 tons of edible olives. Exports in recent years have decreased and domestic prices have been high.

Acreages of barley, oats, meslin, beans and chick peas, and sugar beets increased. Rice production was at a relatively high level of 107,000 tons. Fig production was down slightly, while production of sultanas was steady and output of currants increased. Production of citrus fruit, grapes, apples, and peaches were estimated at above 1964 levels. Apricots and tangerines showed slight decreases in 1965.

Agricultural inputs: Greek farms (there are approximately a million) are usually individually owned (90 percent), small (under 5 hectares), and characterized by low though increasing incomes. The area which can be cultivated comprises 28 percent of the total land area, and 48 percent of the working population is engaged in agriculture. Labor shortages

have been increasing in the agricultural sector, as labor shortages in the EEC countries--especially Germany--have created attractive income incentives to Greek workers. Emigration increased about one-third during 1965. Labor shortages in Greece have been most severe during the harvest seasons for such crops as olives, tobacco, and cotton.

Mechanization of Greek agriculture has been gradual, due to cultural, economic, and geographic factors. Labor-substituting cotton-picking machines have been imported in limited quantities in order to reduce costs of production. Cotton has been traditionally a hand-picked crop, and producers have expressed some anxiety over the quality of machine picked cotton. However, increased use of cotton harvesting machinery is expected in 1966. Some tobacco planting machines are also used, but not extensively, due partially to the extreme fragmentation of farms.

Land consolidation programs have been undertaken. The land consolidation program for 1965 covered around 130,000 hectares. Widespread irrigation programs have also been implemented, and the irrigated area is increasing. The irrigated area is currently 14 percent of total arable land or about 560,000 hectares. It is planned that 20 percent of the arable land area will be irrigated by 1970.

Greek farmers have been using more fertilizers, aided by a small but expanding fertilizer manufacturing industry and government subsidization of fertilizer. Between 1960 and 1965, consumption of N and P_2O_5 more than doubled, and K_2O use went up 88 percent. Increased use of fertilizers has been partly responsible for increases in yields in recent years, especially of wheat.

Foreign trade: An objective of national agricultural policy has been a reduction in certain imports, as well as an increase in exports as a means of improving the balance of payments. However, Greece has experienced disequilibrium in her trade balance due to the import requirements of industrial expansion, coupled with increased domestic demand for consumer goods and foodstuffs. Imports consist mostly of raw materials, machinery, fuels, meats, dairy products, and feeds.

Total U.S. exports to Greece, which were mainly capital goods and agricultural commodities, increased around 42 percent in 1965 to $122 million. Grain had been imported under the Title IV, P.L. 480 program, which was suspended in mid-1965. However, a Title IV program valued at $14 million was reactivated for 1966 mainly for corn and grain sorghum. The U.S. share of total Greek food imports was approximately one-fifth and was valued at $21.6 million in 1964. Agricultural exports from Greece to the United States are mainly tobacco, dried figs, olives, and olive oil. The total value of U.S. imports from Greece in the first 8 months of 1965 was $38 million and the U.S. share of Greece's exports decreased about 2 percent.

Greek exports are principally agricultural commodities, with tobacco by far the most important. Tobacco represents almost half of Greece's total agricultural exports, and earns about two-fifths of total export earnings. Record export levels, made possible by increased production and new tobacco markets, have been of significance in recent years. Other important exports are cotton, raisins, citrus fruits, and olives and olive oil.

Agricultural exports to the EEC have been increasing steadily and represented around 29 percent of Greek exports in the first 8 months of 1965. Greece, an associate member of the EEC, will eliminate (over a period of 12 to 22 years) its tariffs on EEC products and harmonize its import duties with the EEC's Common External Tariff. Greek exports to the EEC are accorded the mutual import reductions currently in effect among the Community members. The EEC absorbs 38 percent of Greek exports, and Germany is the largest

single customer. Exports to Eastern Europe have increased in recent years. The present Greek Government has negotiated bilateral agreements with East European trading partners, mainly to dispose of commodities which are difficult to market. In return, Greece imports capital goods, manufactured consumer goods, and small quantities of livestock. Exports to Eastern Europe increased 12 percent between 1963 and 1964, and represented around 20 percent of Greece's total exports.

Outlook: Growth of both agricultural and industrial production show some signs of slackening in 1966 from the high rates of increase achieved in recent years. However, Greek agricultural output probably will continue the long-term expansion of the last 15 years, and surpluses of wheat and tobacco may be produced in 1966. High support prices for wheat and difficulties of crop diversification in many wheat-growing areas have discouraged rapid implementation of crop-substitution programs. Expanded markets for tobacco and other crops and utilization of wheat for feed could relieve some of the pressure of surpluses. Labor shortages on farms are likely to remain a problem for producers of certain crops. Increased demand for some food imports are likely, including dairy products from the United States.

The industrial sector will continue its expansion and contribution to economic growth. (Marshall H. Cohen)

IRELAND

Economic situation: In November 1965 a widening trade gap accompanied by a parallel decline in foreign exchange reserves caused the Government to impose a 15 percent surcharge on imports of selected finished consumer goods. The surcharge is 10 percent on imports from Britain and Canada. Ireland regards the surcharge as preventive of future difficulties rather than remedial with respect to a current crisis. The surcharge is viewed as the last of a series of economic measures starting with credit restrictions in May 1965. These measures were taken to prevent the economy from getting out of hand as a result of domestic inflation, a widening unfavorable trade balance and a balance of payments deficit.

The Government of Ireland has borrowed $70 million in order to finance State capital outlay on agriculture, industry, housing, sanitary services, schools, forestation, fuel resources, transport and other development plans in pursuance of the objectives of the Second Program for Economic Expansion (1964-1970). Another loan of $20 million is being negotiated in New York. This borrowing in an external market--the first instance since 1927--to insure the adequate financing of a domestic program reflects the Government's determination to carry out its plan.

During 1965, GNP grew by almost 5 percent at current prices, continuing the growth rate of 4.4 percent or better per annum achieved since 1959. The Second Program calls for an increase of GNP of 4.3 percent per year with industrial output increasing 7.1 percent. With total employment expected to rise by less than 1 percent annually, productivity will have to increase about 3.5 percent per year in order to achieve the GNP target for 1970. If the Second Program's output targets are achieved, overall demand for labor should rise. An important goal is to reduce unemployment and, by 1970, to reduce emigration to about 10,000 persons a year, about half the present rate. The Second Program also aims at encouraging exports; modernizing existing industry with financial assistance from the State; attracting new industries; improving the production, processing, and marketing of agricultural products; and, through increased research and development, enhancing the competitiveness of Irish goods in world markets. The targets of the Second Program assume that Ireland will be a member of the EEC by 1970.

During January 1964, Government and labor officials agreed to a 12 percent rise in wages by June 1966. Partly as a result of increases in wages, but also due to an increase in other prices and higher local taxes, the consumer price

index rose 12.4 percent between December 30, 1963 and June 30, 1965. Unemployment continues to hold at about 5 percent. Emigration to the United States and Great Britain has been trending downward but has resulted in a shortage of skilled labor and administrative personnel. However, with the continued growth in Ireland's economy, some skilled workers are now returning.

Although Ireland's agricultural production has been increasing, its share of GDP has been declining. During 1962-64, agriculture accounted for about 27 percent of GDP, down from 33 percent during 1952-54. This declining trend will continue as Ireland expands its industrial sector.

Net earnings from tourism and other invisibles registered a 15 percent increase in 1964 over 1963. However, Ireland's balance of payments deficit on goods and services in 1964 increased from about $139 million to about $156 million. The deficit was caused primarily by a $43 million deterioration in the trade balance.

Agricultural policy: In January 1965 a regulation was passed granting a subsidy on finished cattle slaughtered in Ireland. The subsidy was equal to that paid to British farmers who import feeder cattle from Ireland for fattening and slaughter in the United Kingdom. This was a significant policy decision to promote the meat export industry. Ireland spent more money for subsidies and other aids to agriculture during 1964/65 than in any previous year. The total of $139 million was more than 20 percent of the gross value of agricultural production. Government expenditures for these purposes during 1965/66 are expected to reach $145 million.

The brucellosis and warble eradication campaigns and the grants to farmers who expanded their cattle herds continued during 1965. After 11 years and an expenditure of $106 million, the Government declared Ireland free of bovine tuberculosis in October 1965.

The Second Program for Economic Expansion is now well under way with a successful first year performance. The program calls for expanding gross agrioultural output by 2.7 percent per year and increasing farm incomes. By 1970, gross agricultural output is to be almost one-third greater than it was in 1960. This is a higher rate of growth than that achieved in the past decade but still considered well within the capacity of Irish agriculture. As the agricultural labor force continues to decline, the Plan projects that farmers' per capita real incomes will increase 60 percent between 1960 and 1970 compared with a 40 percent increase for the economy as a whole.

The 1970 targets in the Second Program call for a substantial increase in the production of livestock products, a doubling of barley output, and a significant increase in the output of horticultural products and sugar beets. More than 70 percent of the projected increase in agricultural output will come from animal husbandry, mainly meat, dairy products, and wool. These products accounted for about 80 percent of total agricultural exports and nearly 50 percent of total exports during the 1961-1964 period.

Agricultural output: The year 1965 was not a good one for Ireland's crop production. Harvest weather has been consistently unreliable for the last 4 years and last year the entire growing season was wet and cool. With the emphasis on livestock production and an attractive price for milk and meat, total acreage tilled has not increased in the last few years. The most significant change in crop production is the reduction in wheat acreage and the corresponding increase in feed barley acreage. In 1965 wheat production was off about 50,000 tons or nearly 20 percent from 1964 with only about 50 percent millable. The barley crop was up about 10 percent from 1964. Potato acreage declined about 4,000 hectares or 6 percent between 1964 and 1965 but the production of potatoes is slightly better than 1964 though substantially below the 1963 crop.

Sugar beet acreage declined by nearly 20 percent and 1965 production was about 15 percent below the 1964 crop. The decline reflects a drop in the number of small producers of sugar beets. Small growers cannot economize by mechanization, discount buying, etc., and the Irish Sugar Company is not giving contracts to growers who have low yields.

Hay production in 1965 was of very poor quality though about equal to the 1964 output of 4.3 million tons. Straw was very scarce in Ireland in 1965. Irish farmers are producing more grass silage as a winter fodder each year. The 1965 storage of silage is estimated at more than a half million tons.

There were increases in the number of cattle, sheep, and pigs in 1965, with exports of live cattle and beef reduced following the heavy 1964 trade and subsidies for increasing herd size. The emphasis is slowly shifting from the export of live animals to the domestic slaughter of fattened cattle.

Agricultural inputs: Ireland's agricultural labor force, projected to decline to 326,000 by 1970, is declining faster than the rate necessary to reach this level and was 353,500 or one-third of the total labor force in 1964. Ireland is behind most other North European countries in farm mechanization and use of fertilizers.

The Irish Government offers a number of subsidies and other programs to agriculture designed to increase output and raise productivity. Among the more important are grants to assist in the construction, improvement and repair of farm buildings; land drainage programs; fertilizer subsidies; a brucellosis eradication campaign; grants to increase cow numbers; and an agricultural credit program. The Government has made a substantial grant to the Irish Agricultural Organization Society to help expand cooperatives and to reorganize the dairy industry. Agricultural education, advisory, and research services are being expanded particularly in the 12 western counties to help farmers make more intensive use of their land, create viable farming units, and ensure that, as far as practicable, those who leave agriculture will have adequate employment opportunities and those who stay in agriculture will be more able to make better use of modern agricultural technology.

Foreign trade: Ireland and the United Kingdom have signed an agreement setting up a free trade area effective July 1, 1966. This agreement calls for a single step abolition of import duties on Irish goods entering the United Kingdom. Irish duties on imports from the United Kingdom will be lowered 10 percent July 1, 1966, and 10 percent annually through July 1975. Quantitative restrictions will also be removed from most products by both parties in 1966.

Nearly 90 percent of Irish exports to the United Kingdom already enter duty free and cereals, butter, bacon and sugar are covered by international quantitative agreements. The agreement also provides for a reduction from 3 to 2 months of the period that Irish feeder cattle must remain in the United Kingdom before slaughter in order to qualify for the United Kingdom deficiency payment. Also, an annual payment will be made to Ireland by the United Kingdom of a sum equal to the subsidy payable under the United Kingdom fatstock guarantee for a maximum quantity of 25,000 long tons (25,400 metric tons) of carcass beef and 5,500 long tons (5,600 metric tons) of carcass lamb. Using the 1964/65 forecast subsidy payment as a guide, the total payment to Ireland will be on the order of $1.25 million for beef and $525,000 for lamb. At present, total trade between Ireland and the United Kingdom is approximately in balance.

Ireland's trade gap continued to widen during 1964 with imports exceeding exports by $364 million compared with a gap of $322 million a year earlier. Ireland's exports in 1964 expanded to $607 million from $536 million in 1963. Strong European demand for beef and veal and dairy products boosted exports of these products to an all-time high, while exports of manufactured goods also continued to expand.

Exports of agricultural products amounted to $369 million in 1964, a record level, and accounted for about three-fifths of total exports. Live cattle exported for slaughter increased in 1964, while exports of meat reached record levels. Live cattle and meat exports slumped during 1965, however, as farmers sought to stabilize and increase herd size.

Ireland's imports totaled over $971 million in 1964 and were at record levels. Imports of agricultural commodities increased to $194 million. Principal agricultural imports continued to be live animals, wheat and feedgrains, fruits and vegetables, tropical products, animal feeds, tobacco, and natural fibers.

Approximately 12 percent of Ireland's agricultural imports in 1964 were of U.S. origin. U.S. agricultural exports to Ireland totaled $24 million in 1964, slightly less than in 1963 but substantially above the 1956-58 and 1959-61 averages. Tobacco, feedgrains, oilcake and meal, and fruit are the most important of these U.S. exports.

Outlook: The principal problems facing Irish agriculture are increasing production and finding market outlets at remunerative prices. Half of all produce sold off Irish farms is exported and agricultural exports make up three-fifths of total domestic exports. Outlets for increasing agricultural production must, in general, be found on export markets, as per capita domestic consumption is already very high and the population is expanding very slowly. Inflation is expected to be a continuing problem.

Since about 85 percent of Ireland's land is grassland, considerable emphasis is being given to expanding the production of cattle, dairy products, sheep and wool during the remainder of this decade. Pork production is also being encouraged. The production of all these products except pork, is likely to increase again in 1966. The production of beef and veal will continue to be stimulated by shortages on the Continent. Cattle herds and sheep flocks will expand to fill part of this demand.

The acreage of oats will probably decline in 1966 but barley acreage is expected to increase as is wheat acreage. The Second Program projects significant increases for horticultural products and barley by 1970. (David W. Riggs)

ITALY

Economic situation: Various signs of improvement in the Italian economy appeared during the first quarter of 1965 and continued and intensified thereafter. While there were still depressed sectors in the Italian economy and no signs of vigorous uptrend, it was reasonably clear that the recessionary force had diminished. GNP in 1965 increased by 3 to 3.5 percent in real terms.

A continued rise in exports was a major factor supporting the recovery. Italy's trade deficit continued, but invisible receipts (tourism revenue and emigrant remittances) served to create a balance of payments surplus. Foreign exchange and gold reserves continued to increase and amounted to $4.3 billion in September 1965.

Price increases slowed. However, inflationary pressures still exist. Rising economic activity brought about a substantial decline in unemployment in 1965. Efforts were make to curb wage increases. During the year ending June 1965, the contractual wage index rose 12 percent in commerce, 11 in agriculture, and 8 percent in transportation. Under the Italian wage system, increases in the cost of living bring about an automatic escalation of wages and salaries. In August 1965 the wage/cost-of-living sliding scale had risen about 5 points above a year earlier; the largest increases had been for fruits and vegetables, meat, transportation, and communications. However, the total increase for 1965 is expected to be substantially less than the increase of the previous year. Gross investment in plant and equipment in 1965 is not believed to have attained the level of 1964, which in turn was below that of 1963.

Agricultural policy: One of Italy's important policy measures in 1965 was the "Super Decree" ratified May 13. This

decree aims at promoting economic recovery and, for the agricultural sector, emphasizes the expansion of livestock herds and other general agricultural improvements. Substantial amounts of funds were allocated for these purposes. The Five-Year Economic Plan (1966-70) was passed late last year by Parliament.

The Green Plan and the Fund for the Development of Southern Italy were also important in implementing agricultural policies. The Fund was extended for another 15 years, 1965-80. A new law was passed regulating tenancy. Another law was passed to transform the existing land reform agencies into possibly a more powerful and permanent Agricultural Development Agency (Enti di Sviluppo). Government price support programs for eggs and hogs were undertaken early in 1965. Effort was also made to improve cooperative marketing. Assistance in the purchase of feeder cattle and breeding stock was continued and financial support for developing the livestock enterprises are to be increased under the Green Plan.

Italy still uses bilateral trade agreements as an instrument to conduct foreign trade. In 1965, trade re-negotiations were carried out with most East European countries and the USSR . Highly protective levies were maintained on wheat and edible oil, and certain trade restrictions on dried fruits and fruit juices remained in effect. In the latter part of 1965, Italy relaxed restrictions on imports of poultry parts.

Agricultural production: Italy experienced unusual weather in 1965. The winter was cold, spring was late and dry, and summer rains were numerous and heavy. Good weather conditions prevailed during the harvesting period for some crops.

The 1965 wheat crop is estimated to have been one of the largest in recent years, about 9.8 million metric tons. Almost all of the wheat producing areas registered increases in yields and production over the previous year. The durum crop was reportedly of excellent quality.

Heavy rains in Northern Italy hurt the output of both rice and corn. Total production of corn is estimated to have been around 3.4 million metric tons (a 13 percent reduction from the 1964 level), and the corn was of inferior quality. Trade reports have estimated that the 1965 rice crop totaled about 550,000 metric tons. Output of rye was about 4 percent lower than in 1964, but output of barley and oats was substantially higher. The weather was very favorable for forage production.

Cold weather seriously damaged the apple and pear crops which are estimated to have been about 15 to 20 percent less than in 1964. The citrus crop was also damaged by early frost in February and subsequently by storms. Olive oil production is estimated to have been 20 percent larger than in 1964. Most vegetable crops were good. Output of potatoes was about the same as the previous year. Sugar beet output was up about 5 percent.

In spite of vigorous Government action, much effort is still needed in building up a sound livestock industry. Higher milk prices in late 1965 may have stimulated some build-up in herds of dairy cattle, but beef cattle numbers have shown no sign of recovery. Red meat production in 1965 remained about the same as in 1964. The decrease in production of beef and veal, and mutton and lamb was offset by an increase in production of pork. Prices of pork were low through early 1965, but rose sharply in late summer as demand increased. Poultry has taken up some of the slack in meat supplies as production was up again in 1965. During early fall, the marketing of broilers was heavy and prices dropped sharply.

Agricultural imputs: Farm labor comprises about 25 percent of the total labor force, while agriculture accounts for about one-sixth of Italy's GNP. The total number of people gainfully engaged in agriculture is around 4.8 million. The movement from rural to urban areas is continuing.

Farm mechanization again gained ground in 1965. There were increases in the number of tractors, combines, and hand motor cultivators. On the other

hand, the number of threshers and corn shellers decreased. Further mechanization is expected as the agricultural improvement schemes of the various economic plans are implemented.

Italy's total fertilizer consumption increased somewhat in 1964/65, recovering from the low level of 1963/64. While the use of phosphate and potash fertilizer declined very slightly from the level of the 2 previous crop years.

Foreign trade: Italy's trade both with EEC members and with nonmember countries has increased. Agricultural exports from the United States to Italy increased from $127 million in 1958 to $221 million in 1964, and the uptrend probably continued in 1965.

During the marketing year 1964/65, Italy imported about 700,000 metric tons of wheat; but imports in 1965/66 will be substantially lower due to the good harvest in 1965. Corn imports in 1964/65 reached 4 million tons, and Italy will need to import about 5 million metric tons during 1965/66, due to the poor corn crop in 1965. Imports of oilseeds, largely soybeans, increased about one-fourth in 1964/65 over the previous marketing year.

Imports of red meats, mainly beef and veal, totaled about 300,000 metric tons during 1964/65. Cotton and tobacco imports were also higher than in the previous marketing year.

Agricultural exports in 1964/65 were still dominated by fruits and vegetables which accounted for 75 percent or more of total agricultural exports. Exports of rice, corn, and wheat were significantly higher than in the previous marketing year.

Outlook: Italy's economy is improving and conditions are good for a steady rate of growth. Industrial production should continue to rise. The recovery of employment is also expected. The current agricultural situation in Italy will necessitate major imports in 1965/66 of quality wheat, feedgrains, cotton, tobacco, oilseeds, livestock, and meats. Prospects for sales of certain U.S. agricultural products in the Italian market remain good. Feedgrain imports from the U.S. should continue at a high level. The outlook for imports of U.S. oilseeds is also very favorable. (Sheldon Tsu)

NETHERLANDS

Economic situation: The Dutch GNP increased an estimated 5 percent in constant prices during 1965. This was significantly lower than the 8.2 percent increase in GNP during 1964, but was about the rate forecast by the Central Planning Office. Private consumption exceeded the 5 percent increase forecast for 1965 and some acceleration likely occurred during the second half of the year when an income tax cut became effective. Government investment also ran ahead of schedule and industrial production was up 6 percent from 1964. Employment increased by less than 1 percent during the year ended June 1965 and the labor supply remained tight. As a result the government was unable to keep the 1965 wage contracts within the desired limits of a 5 percent increase. Wage rates in new contracts increased an average of 6.3 percent. Inflation continues to be a major problem as consumer prices rose 5 percent for the second year in a row.

Exports in 1965 were running 10 percent ahead of the first 9 months of 1964, while imports increased only 3 percent during the same period. Gold and foreign exchange reserves increased 6 percent (to $2,065 million) during the year ending September 1965.

Agricultural policy: Dutch agricultural policy has two main features--increased productivity through extension, education, and restructuring of agriculture and income and price stability for farm products, including those exported. As expected, some difficulties have arisen in combining price and income stability with the maintenance of competitive export prices. Rebates of import levies on grain have been used to make exports of livestock products competitive. Imports of competitive products are restricted. Tariff rates increase with the degree of processing, and there is little or no tariff on noncompetitive raw products for those products not subject to EEC regulations. One feature of Dutch farm policy that is receiving increased emphasis is the improvement in the structure of farms.

Agricultural production: Gross agricultural production in constant prices increased only 2.6 percent from 1952-54 to 1962-63. Gross domestic product increased at a much faster rate and agriculture's contribution fell from 12.5 percent in 1952-54 to 7.4 percent in 1962-64. The expansion of agricultural production during the past decade was the result of increased output per unit of land, livestock, and labor. Some new land has been reclaimed and more will be added in the future, but this will be more than offset by urban expansion. Therefore, increased production must come from advances in efficiency and imported feedstuffs.

Total grain production was about 1.8 million metric tons in 1965 compared with the previous season's 2.0 million metric tons. The record wheat crop in 1965 was only slightly above the previous year, although acreage was 5 percent larger. The wet weather at harvest time reduced quality so larger imports of quality wheat will be required in 1966.

The area devoted to feedgrains (including rye) in 1965 fell only 1 percent, but production was 13 percent below 1964. The total demand for feedgrains in 1966 will be greater than in 1965 as larger quantities of feed will be required for increased poultry and pork production, and increased milk cow numbers, combined with reduced domestic feedgrain production.

The total number of cattle, placed at 3.5 million head in May 1965, was nearly 5 percent above 1964. The number of cows and heifers increased as herds were enlarged, but the greatest increase (14 percent) occurred in the number of fattening and grazing cattle, indicating increased beef production in 1966. However, a portion of these cattle were slaughtered as fattened veal calves by the end of 1965.

A record hog slaughter in 1965 helped to offset the beef shortage. Due to increased production, pork imports fell 75 percent during the first half of 1965 while exports of pork and live hogs rose significantly. With prices being supported by a high domestic and foreign demand, prospects are for a further increase in pork production in 1966. Sow numbers were 6 percent above the previous year in the May 1965 census.

Poultry meat production continued to expand in 1965. A decrease in the production of hens and ducks was more than offset by an increase of 30 percent in broiler production. Poultry meat exports continued to rise rapidly while egg exports declined. Egg production has continued to fall as many egg producers have shifted to more profitable poultry meat production. Indications are that broiler production will continue to increase in 1966 and that the decline in egg production may end since egg prices rose in 1965.

Milk production rose in 1965 after declining in 1963 and 1964. A 2 percent increase in cow numbers, plus good forage in 1965, were responsible for a 5 percent increase in milk production. If forage conditions are average or better in 1966, milk production should continue to increase.

Agricultural inputs: The Dutch have a well-developed system of agricultural education, research, and extension which has produced farmers of high technical ability. However, Dutch farmers are handicapped by their small scale of operation. In 1959, Dutch farms averaged 9.4 hectares in size. Of these farms, 36 percent were between 1 and 5 hectares in size and 77 percent were 10 hectares or less. Not only are the farms small, but, on the average, each farm has 3.8 plots.

The government program of consolidation of scattered plots is aimed at improving the structure of farms. In 1964, landholders made application for the consolidation of a total of 1.2 million hectares of land, with 370,000 hectares in process of consolidation. However, an average of only 10,000 hectares per year was consolidated during 1954-62. The present aim is to increase this to 40,000 hectares per year.

Other governmental measures to help solve the economic problems of farming include: (1) A farm enlargement program, (2) measures to improve farm efficiency, and (3) creation of employment opportunities for farm labor outside farming.

The agricultural labor force was about 10 percent of the total labor force in 1963. The labor force in agriculture, forestry, and fishing declined 39 percent between 1947 and 1960. Labor productivity is high, especially in crop production, and is continually being stepped up by the introduction of more modern machines.

A total of 111,700 tractors were being used in Dutch agriculture according to the agricultural census of May 1964. During 1964, the number of tractors increased 7.3 percent, about the same rate of increase as has occurred each year since 1960. Milking machines were up 10 percent above 1963, numbering 70,519 in 1964. This provided one machine per 24 cows compared with one machine per 166 cows in 1955. Although there has been heavy investment in machinery, about 84 percent of the main farm buildings were build prior to World War II and 55 percent prior to World War I.

The Netherlands applied more commercial fertilizer per hectare to its arable land than any other West European country. In 1963/64, 126 kg. of N, 53 kg. of P_2O_5 and 64 kg. of K_2O were applied per hectare of arable land. During the 10 years ended 1963/64, Dutch farmers increased the use of N by 55 percent and of P_2O_5 by 11 percent, but use of K_2O remained at about the same level.

Foreign trade: About three-fourths of the Netherlands' agricultural exports are shipped to other West European countries, with about half of these exports going to other EEC countries. Only one-fourth of the Netherlands' agricultural imports are obtained from Western Europe. The Western Hemisphere supplies about half of the agricultural imports and the United States over one-fourth. The Netherlands, with a population of only 12 million, ranked third as a market for commercial U.S. agricultural exports in 1964, exceeded only by Japan and Canada.5/ U.S. agricultural exports to the Netherlands during this period were valued at $445 million, over one-tenth of total U.S. commercial agricultural exports.

In 1964, the Netherlands' agricultural exports were 26 percent of total exports and agricultural imports were 18 percent of total imports. Livestock products accounted for 45 percent and horticultural products accounted for 20 percent of agricultural exports. Grains and feeds composed 29 percent of agricultural imports.

Grains were the leading agricultural imports in 1964. The Netherlands imported $47 million of wheat and flour, over half from the United States. Also, the Dutch imported $179 million of feedgrains, 76 percent from the United States. Argentina was the second-ranking supplier.

In 1964, the Netherlands continued to import large quantities of fats, oils, and oilseeds. The United States supplies about half of the total oilseeds (mostly soybean) by value. The demand for soybeans and soybean oil meal will continue to expand as livestock production expands. The Netherlands is also an important market for U.S. exports of animal fats--tallow and lard.

The Netherlands, with its large and rising per capita income, imports fruits and vegetables, including preparations, to supplement those grown domestically. Spain and Italy were the major suppliers of the $120 million of these products imported in 1964, while $22 million were imported from the United States.

In 1964, the Netherlands imported $105 million of cotton and wool. The U.S. share of the Netherlands' cotton imports was 24 percent and amounted to $14 million.

The most important markets for Dutch agricultural exports are West Germany for eggs, poultry and other meats, butter, cheese, fruits, and vegetables; and the United Kingdom for pork, butter, fruits, and vegetables. Processed milk is sold mostly to countries in Asia, Africa, and South America.

5/ This ranking is achieved when the export data are adjusted to exclude U.S. exports of grain and soybeans to Canada for storage pending their use to finish loading vessels moving through the St. Lawrence Seaway destined for foreign ports.

Outlook: Economic indications point to a growth rate of about 5 to 6 percent in GNP in 1966. The labor shortage will probably be the major restraint on economic growth. Investment trends are expected to continue unchanged. Inflationary pressures are expected to continue in 1966 as labor costs are expected to rise and private consumption grows rapidly.

Wheat imports are expected to be slightly higher in 1965/66, while feedgrain imports should be up significantly. Imports of soybeans, oil meals, animal fats and tobacco from the United States will probably rise in 1966.

The outlook is favorable for Dutch exports of vegetables, cheese, poultry meat, and pork in 1966. The exports of milk products probably will decline in 1966. However, the decline in egg exports is likely to level off somewhat.

Dutch exports of livestock products are based on low cost imported feedgrains which the Dutch convert efficiently into livestock products. In the longer run, with rising prices of grains, it will become more difficult for the Dutch to compete effectively in export markets, especially within the EEC. (George W. Coffman, Jr.)

NORWAY

Economic situation: Economic activity remained at a high level in Norway in 1965 with rapid expansion of industrial production, especially in the iron and steel and engineering sectors. Total industrial production was about 8 percent above the record level of 1964.

GNP, which rose 6.2 percent in real terms in 1964 over 1963, continued to rise in 1965, but at a somewhat slower rate. Investment continues at high levels but Norwegian industry is operating at close to full capacity, and so additional output requires substantial new investment. Rising prices resulted in some anti-inflationary measures in mid-1965. However, the increase in the retail price level in 1965 was more gradual than in 1964, and was mainly the result of higher prices for food, housing and clothing. The levels of wages are linked to the consumer price index which is heavily weighted by food expenditures. Norway is virtually a full-employment economy, except for some seasonal variation, and there is a serious shortage of manpower in some sectors.

Agriculture's share of GNP (excluding forestry and fishing) has been decreasing steadily in recent years. In 1962-64, agriculture's contribution to GDP was 4.7 percent.

The overall goal of the proposed Norwegian Long-Term Economic Program, 1966-69, is for an increase of 20 percent in Gross Domestic Product. Growth in the industrial sector has been planned at about 25 percent, while agricultural growth is planned at 5 percent during the 1966-69 period. The plan assumes that the shift of labor out of agriculture will continue. The program is not an all-embracing program, but establishes annual targets to which policy can be oriented. The plan is based upon assumptions of rapid economic growth in the industrialized nations and a rapid increase in world trade.

Agricultural policy: Norway's agricultural policy is aimed at stimulating farm production to satisfy most domestic requirements and raising farm incomes. Among the various methods used to raise farm income are price supports, aid to mountainous farms, and support of small farms. The policy is to increase efficiency in production by reducing costs and increasing the size of farms. Prices of major domestic farm products are determined through negotiation between the Government and the major farm organizations, and are formalized in an Agricultural Agreement. This agreement may be renegotiated as the cost of living changes. Prices of most domestically produced farm products are maintained at levels above world market prices. In recent years, subsidies have accounted for about half of net farm income. Dairy products are the most highly subsidized commodities. In 1965 part of the milk subsidy was removed and a subsidy based on acreage was introduced. Since feed-

grain prices are among those maintained at levels above world prices, rebates on purchased feeds are paid to certain farmers under a system which favors small farmers. Wholesale prices for meat, eggs, poultry, potatoes and horticultural crops are also regulated under the terms of the Agricultural Agreement.

Norwegian agriculture is protected from external competition by restricting imports of agricultural products which compete with domestic production. However, as of November 1, 1965, sugar imports were liberalized.

Agricultural output: The estimated index of agricultural production for 1965 was 128 (1952-56=100), 6 points above 1964. The quality of the grains was lowered by a cold and rainy summer and output was slightly below 1964. Total acreage of grains increased slightly as compared with 1964. Good yields were responsible for an increase in production of fodder roots and a large (38 percent) increase in potato production over 1964. Frosts adversely affected the production of some deciduous fruits in 1965. Pear production was about constant, while plums and cherries showed declines. Apple production declined 9 percent, following a rise in 1964. Supplies of apples and pears were so low that import licenses were issued in September permitting 300 metric tons of apples and pears to be imported in excess of the original quotas. The new quota for apple imports has been raised to 20,000 tons for 1965/66.

Production of meat, especially pork, increased, eliminating need for imports of much meat. Hog slaughter increased 5 percent over 1964. Milk production continued to decline from its record high in 1963 as herds decreased. Milk production and stocks remain ample for domestic needs, but the poor quality of the 1965 feed crops may reduce milk production in 1966. Total poultry production more than doubled in 1965, and supplies exceed domestic requirements.

Agricultural inputs: The share of the contribution of the agricultural sector to GNP has been decreasing as industrialization proceeds in Norway. There has been a migration of labor out of agriculture into nonfarm sectors. In 1963, farm labor (including fisheries and forestry) represented about 20 percent of the total labor force. Almost half the farmers are also engaged in other occupations. The substitution of machinery for labor is occurring, particularly with increased inputs of tractors, tillers, harvesters, and milking machines. However, the terrain and climate of Norway and the small amount of arable land for farming (about 4 percent) limit the utilization of large farm machinery. As a means of increasing mechanization, farmers can rent equipment from machinery stations established in recent years.

Total fertilizer consumption increased 4 percent in 1965 over 1963. Over 125,000 metric tons of nitrogenous, phosphatic, and potassic fertilizers were consumed in 1965. Norway's thriving nitrogenous fertilizer industry is an important supplier of fertilizer for domestic use as well as for export.

Trade: The Norwegian economy is highly dependent upon foreign trade. Production depends upon imports of raw materials. Norway's balance of payments shows a continual trade deficit. The 3rd quarter 1965 net trade deficit in the balance of payments is estimated at $130 million. Norway's merchant marine is one of the world's largest, and freight earnings have been a traditional and important source of revenue. Norway's agricultural exports are mainly dairy products and hides and skins, while her principal agricultural imports are cereals, oilseeds, feedstuffs, sugar, coffee, and fruit and vegetables.

Norway is a member of EFTA, but trades extensively with the EEC, particularly West Germany. In recent years the EFTA community has increased its share of the Norwegian export market, partly due to the reduction of certain duties. At the same time, trade with the EEC has declined. Norway's exports of agricultural products to EFTA countries increased to $8.6 million in 1964, compared with $7.4 million in 1963.

The United States supplies about 17 percent of Norwegian agricultural imports. These consist mainly of grain, soybeans, tobacco and fresh fruit. Total U.S. exports to Norway in 1964 were valued at $110.5 million

Imports are highly regulated. Import duties are high on most agricultural products, and quantitative controls for competitive imports are extensive. For some commodities, such as meat and eggs, imports are regulated when domestic prices fall below a predetermined level. The domestic dairy market is protected by high ad valorem duties on imports.

Outlook: Economic activity is likely to continue at high levels with increasing investment expenditures under the framework of the Long-Term Program. The threat of inflation is expected to continue due to the tight labor situation and high levels of internal and external demand. Norwegian export markets have improved in recent years and a larger part of trade is taking place with other EFTA countries. The British surcharge on industrial goods and the EEC's trade policies are making trade with these areas more difficult. There is some likelihood that short supplies of marine oils may result in imported substitutes, such as soybeans for crushing. Imports of grain in 1966 may increase because of the poor quality of the grain produced in 1965. Larger imports of apples are also likely as the annual quota has been increased for 1966. (Marshall H. Cohen)

PORTUGAL

Economic situation: Portugal's GNP real growth rate in 1965 probably did not greatly exceed the growth rate of about 4 percent in 1964. The 1965-67 Interim-Plan aimed at a real growth rate of 6.1 percent in 1965. Industrial production probably grew less than the 1964 growth rate of 6 percent and was certainly below the planned 10 percent annual growth rate in the Interim-Plan Economic growth was held back by agricultural production which was affected during most of the growing season by droughts and abnormally heavy rains during the harvesting of certain crops.

The Portuguese economy continued to face the problem of reconciling stability and expansion while undergoing economic integration with the Overseas Provinces. The wholesale price index in Lisbon, Portugal's largest city, rose 2 percent from December 1964 to August 1965 (the food index rose 1.7 percent), despite Government price controls. However, the index of retail prices for Lisbon in September 1965 reached 129 compared with 126 in December 1964 and 124 in September 1964 (1948-100). The index of rural wages for men by May 1965 was 13 percent over the 1964 end-of-year index.

Money supply and commercial bank credit showed a considerable increase in 1965. Although the foreign trade deficit of continental Portugal in 1965 is expected to exceed that of $245 million in 1964. Portugal, including the Overseas Provinces, is expected to have a balance of payments surplus though smaller than the $122 million in 1964. Foreign exchange reserves probably rose to nearly $1.0 billion.

Portugal has had economic development plans since 1953. The second 6-year development plan ended in 1964 and was followed by a 3-year Interim-Plan (1965-67). A new 6-year plan is to begin in 1968. The GNP growth target rates in the Interim-Plan are to increase from 6.1 percent in 1965 to 6.5 percent in 1967. Gross Domestic Product (GDP) is planned to reach $3.5 billion by 1967 as compared with the present $3.0 billion. Total investment in the Interim-Plan amounts to $1.7 billion, including $0.5 billion for the Overseas Provinces. Industry is to receive the largest share--$517.4 million--of investment under the Interim-Plan.

Total investments planned for agriculture in continental Portugal amount to $101 million. The growth rate for agriculture (GAP) is projected at 1.2 percent per annum. The major objectives of the Interim-Plan for agriculture are to increase agricultural production, primarily by accelerating livestock and fruit production, and to improve social conditions in rural areas through better roads, electrification, and water reservoirs for the rural population.

A shift of 94,500 rural workers to industry is contemplated in the 3-year period. By 1967, agricultural employment (including forestry and fishing) is expected to drop to 38 percent of the active population, as compared with the present 42 percent. The agricultural sector is expected to contribute 19 percent to GDP, as against 23 percent currently.

GAP increased about one-fifth between 1954 and 1963. The small size of many farms constitutes an obstacle to increased agricultural production and efficiency. Data for 1960 show that about 90 percent of the farms averaged less than 5 hectares, and 50 percent averaged less than 1 hectare.

Agricultural policy: Major policy objectives are the modernization of agriculture, increased agricultural production, and a higher level of living for the rural population. Improvement of fruit and livestock production, particularly meat and milk, is currently given priority. A long-term goal is the transformation of the agricultural sector through a shift of surplus rural population to other sectors and the creation of viable farm holdings.

Portuguese trade policy is strongly protective. Prices of agricultural commodities are regulated and the government restricts the area of rice and vineyards and has generally discouraged the growing of cotton, sugar cane, and tobacco. Some agricultural commodities receive fixed or support prices. The National Federation of Wheat Growers purchases the domestic wheat output. In 1965, it was decided that the basic support prices for wheat, rye and corn are to be increased while current bread prices are to be maintained. Special subsidies will be given for a 5-year period to producers adopting improved and approved cultural practices.

Agricultural production: Although the value of agricultural output in 1965 probably increased slightly over the low level of 1964, it was still below the levels of production in 1962 and 1963. The primary reason for the relatively low output of crops was adverse weather. There was no rainfall from March until late September 1965 while excessive rainfall in late September and October interfered with the harvest of rice, corn, and grapes. Production of cereals, excluding rice, was 14 percent above the previous year's record low, but 7 percent below the 1960-64 average. Production of bread grains--wheat and rye--was up 50 percent from 1964. The wheat crop in 1965 was 47 percent larger than the extremely poor crop in 1964. The bread grain crop, harvested in May and June, was not adversely affected by the drought. Total feedgrain production was down 18 percent with the largest drop in corn (25 percent). Rice production in 1965 was 8 percent below the previous year's high level of output.

The production of fruit (particularly deciduous) and vegetables in 1965 is estimated to have exceeded that in 1964. Fruit and vegetable production are important to Portugal's agricultural economy, accounting for over one-eighth of agricultural production and over one-fifth of the value of agricultural exports. Fruit production in 1965 probably exceeded the 1961-63 average of 521,000 metric tons.

Production of other crops in 1965 was generally above 1964's poor harvests. Estimated olive oil production in 1965 is 52,000 metric tons, 33 percent over 1964 but still well below normal. Production of almonds was excellent and fig production was about normal. Wine production was an estimated 15 million hectoliters, 8 percent more than in 1964 but heavy rainfall during harvesting reduced the quality of most wines. Potato production totaled about 800,000 metric tons or one-fifth less than the 1960-64 average. Pulse production--the main protein food of the Portuguese diet--is estimated as one of the smallest on record, dropping about one-third below 1964 production and the 1960-64 average.

The drought in 1965 probably caused considerable losses to cattle and sheep breeders. Pastures were very poor and the production of hay and other forages was also low. The production of red meat in 1965 was about the same as in 1964, but 10 percent below the 1960-63 average. Pork production in 1964 was 17 percent below the 1960-62 average. Poultry and egg production has been developing rapidly. Poultry numbers were estimated at 14.5 million in 1964 or nearly double the

1955 figure. The number of laying hens in 1965 was estimated at 7.2 million with an egg production of 33,000 metric tons.

Agricultural inputs: The agricultural labor force was estimated at 1.4 million in 1960 or 43 percent of the active labor force. In recent years there has been considerable migration from rural areas to cities and foreign countries. Shortages of farm labor have been noticeable in some areas, particularly at harvest time.

Portugal's agricultural land area totals about 4.1 million hectares, excluding 2.5 million hectares in forest. The possibility of increasing the sown acreage is limited to fallow, which at present accounts for about one-fifth of the country's arable land. Although about 4.1 million hectares of additional land could be brought under cultivation this land is not considered to be economically productive.

Irrigation programs have been a major feature of Portugal's development plans. At present Portugal has about 500,000 hectares under irrigation including nearly 300,000 hectares privately irrigated with wells, springs, rivers, and field dams. Present plans call for an increase of 170,000 hectares in the irrigated area by the late 1970s.

Consumption of fertilizers has been increasing rapidly. There was a 14 percent increase in fertilizer consumption between 1955/56 and 1962/63. Portugal's current fertilizer consumption is about 170,000 metric tons, averaging 36 kilos per hectare of agricultural land.

The increase in labor costs and shortage of labor is hastening the mechanization of agriculture. Over 14,000 tractors were in use in 1964, representing a three-fold increase over 1955 and nearly a 50 percent increase over 1960. About 5,500 threshing machines were in operation in 1964 as compared with 5,097 in 1960.

Foreign trade: Portugal depends heavily on foreign trade. The Portuguese Government regulates foreign trade through quantitative restrictions, licensing, exchange controls, bilateral agreements, and tariffs. Preferential treatment is given to the Overseas Provinces. In January 1964, Portugal removed all duties on imports from the Overseas Provinces provided the goods are shipped under the Portuguese flag. There has been also some trade liberalization under various international trade agreements. Portugal is a member of the EFTA and GATT. In recent years, Portugal has abolished quantitative restrictions on many imports from OECD countries. In 1965 Portugal abolished all remaining export duties starting January 1, 1966.

Portugal's external trade is characterized by a high degree of geographical concentration. About 60 percent of Portugal's exports go to the OECD countries. The EEC and EFTA countries receive close to half of Portugal's total exports and supplies between 55-60 percent of Portugal's imports. The Overseas Provinces receive about one-fourth of Protugal's total exports and supply slightly less than one-fifth of Portugal's total imports.

Agricultural trade in recent years has accounted for about one-fourth of total imports and less than one-sixth of total exports. The main agricultural exports in 1964 were wines, followed by fruits and vegetables. The principal market for agricultural exports is Western Europe, particularly West Germany and the United Kingdom. Agricultural exports to the United States in 1964 amounted to slightly less than one-tenth of total agricultural exports. The U.S. imports fig paste, tomato paste, wine, chickpeas, olive oil, and sausage casings from Portugal. Wine, olive oil, dairy products, and preserved fruits are significant agricultural products exported to the Overseas Provinces.

Raw materials, equipment, and some foodstuffs continued to dominate Portugal's imports. The Overseas Provinces provide the bulk of many of Portugal's agricultural imports. Raw cotton, sugar, wheat, and oilseeds were the main agricultural imports in 1964. Portugal's meat imports in 1964 totaled 14,000 metric tons or more than double 1961's level. In 1964, the United States supplied about one-sixth

of the total agricultural imports and was the main supplier of wheat. Other significant U.S. exports to Portugal in recent years have been cotton, tobacco, and inedible tallow. In 1964, the United States supplied more than half of the country's imports of pork.

Outlook: Agricultural imports in 1966 are expected to be slightly over the previous year's high level. The Government program to give emphasis to livestock production probably will result in imports of breeding cattle and animal feedstuffs. While imports of rye, oats, and barley will probably continue to be negligible, corn imports are expected to more than double the 1965 level of 108,000 metric tons. The Overseas Provinces normally provide the bulk of requirements, but in 1966 Portugal may have to find other suppliers. The large increase in wheat production in 1965 is expected to reduce import requirements in 1966 to less than half those of the previous year. Portugal's rapidly growing cotton requirements will continue to be supplied as much as possible by the Overseas Provinces. The increasing shortage of domestically produced meat should push meat imports in 1966 beyond the $9.1 million value in 1964. While pulse consumption is largely dependent on domestic production, imports are likely in 1966. Despite the increased production of olive oil in 1965, imports of oilseeds and peanuts will increase in order to meet the demand for high protein feeds for the livestock industry and to counter the decline in olive oil production and maintain small exports. The Overseas Provinces and other African countries (mainly Nigeria) will probably continue to meet most of Portugal's oilseed and peanut import requirements in 1966. Rice and potato production in 1965 were low and sizeable imports of both will be needed before the next harvest. Tobacco imports will increase in order to meet rising demand. (James Lopes)

SPAIN

Economic situation: The Spanish economy continued to expand rapidly in 1965. GNP grew about 5 percent (in constant prices), which was slower than the Development Plan (1964-67) target of a 6 percent increase and below the 7 percent increase achieved in 1964. The increase in industrial production in 1965 was probably somewhat below the 13 percent increase realized in 1964. Agricultural production, which for the second year in a row was affected by drought, continued to act as a drag on the economy. Agricultural production in 1965 probably increased only slightly from the abnormally low level of 1964.

Spain probably had a deficit in the balance of payments in 1965 on the order of $100 to $150 million, a striking change compared with large annual surpluses since the Exchange Stabilization Reform of 1959. The trade deficit is estimated to have passed $2 billion in 1965. Despite the change in balance of payments, Spain's financial position was not greatly impaired. Capital inflows in 1965 exceeded those in 1964 and foreign exchange and gold holdings at the end of October 1965 still amounted to $1,336 million, or $65 million below end-of-year 1964.

Spain continued to face strong inflationary pressures, particularly in the second half of 1965. In the third quarter of 1965, the cost-of-living index (1960 =100) was 6 percent over December 1964 and 12 percent over the comparable 1964 period. For the same periods, the food component of the cost-of-living index increased 5 and 11 percent. While imports of food in the late spring and early summer of 1965 helped to dampen food price increases, the pressures of a poor harvest and rising demand began to be reflected in substantially higher prices by September 1965.

Growth of consumer demand in 1965 was probably slower than the 15 percent average increase in the previous 2 years. Wage rates continued to increase as did the migration of many workers. Industrial wages during the first half of 1965 rose about 21 percent over the corresponding period of 1964. Farm wages experienced nearly a 12 percent increase in the same period.

The long-term aspirations and problems of Spanish agriculture were set forth in the Development Plan for 1964-67. The main objectives of the Plan are to increase agricultural production and to improve levels of living for the rural population.

Agriculture is of major importance to the Spanish economy. In 1964, it accounted for about 20 percent of the GDP, provided employment to more than one-third of the working population, and accounted for more than half of total exports.

The agricultural sector has been plagued by serious problems. Agriculture was the only sector of the economy which experienced a decline in production in 1964, with output dropping about 8 percent.

Agricultural policy: The four basic objectives of Spanish agricultural policy are: (1) to raise the level of living of the rural population; (2) to attain maximum productivity through intensive cultivation and through land improvements such as irrigation, reforestation, and soil conservation; (3) to secure full employment for permanent farm workers by creating viable holdings and transfering surplus agricultural labor to industrial areas; and (4) to increase production of livestock feed, livestock products, industrial crops, and vegetables. Other current objectives of agricultural policy are as follows: (1) to secure fair returns to agricultural producers without causing inordinate rises in retail food prices; (2) to limit the agricultural trade deficit but still allow imports of agricultural commodities in short supply so as to dampen food price increases; (3) to provide assistance to depressed areas where agricultural holdings are small; and (4) to reduce the annual fluctuation in production and farm incomes so that the economy can develop more smoothly.

The Government establishes price supports and marketing regulations for agricultural commodities. Government control over the marketing of agricultural commodities is decreasing. Only 3 commodities--wheat, hops, and tobacco--are now subject to monopoly purchasing or compulsory delivery. The National Wheat Service is the sole buyer of wheat and also sets minimum prices for coarse grains. The National Tobacco Growing Service has a monopoly on tobacco buying. The Spanish Corporation for Hops Promotion monopolizes hop trading in Spain. For olive oil, wine, pork and beef, the Government merely sets minimum prices. Government market intervention is through the National Supply Commission (Comisaria de Abastecimientos y Transportes-C.A.T.) which can purchase surpluses, distribute some subsidies, and regulate the distribution and import of agricultural commodities. Spain's agricultural trade policy has been very protective, but since joining the OECD in 1959, Spain has been progressively liberalizing its trade. Most of the imports of agricultural commodities from other than OECD countries are still subject to some import restrictions. In addition to using bilateral agreements and customs duties, the Government applies variable levies and state control on imports subject to internal market regulations. Export controls are occasionally placed on certain products in short supply.

Agricultural production: About two-thirds of Spain's agricultural production is derived from grains, orchards, vineyards, and truck gardens. Livestock and livestock products account for about one-third of production.

Agricultural production in 1965 continued to be affected by unfavorable weather. The GAP growth rate was up slightly from 1964. Grain production in 1965 was generally below average, except for breadgrains which experienced a slight increase over 1964. Spain's feedgrain production in 1965, estimated at 2.8 million metric tons, was 10 percent below 1964. Total acreage devoted to feedgrains was 3 percent above 1964, but yields were sharply reduced by drought. Production of rice was 5 percent less than in 1964.

Although there was a 19 percent increase in area devoted to sugarbeets, sugar production in 1965 at 490,000 tons was only slightly higher than in 1964. Yields declined as did the sugar content

of the beets. Thus, sugar production remains about one-fourth below domestic requirements.

Spain is normally the world's leading producer of olive oil. Production of olive oil in 1965, at an estimated 327,000 metric tons, was below normal but considerably better than the previous year.

Production of other crops varied. Output of nuts and kernels was estimated at 10 percent below that in 1964. Cotton production increased slightly, while tobacco production remained about stable. Pulse production was sharply reduced by drought. Production of potatoes and citrus increased by 9 percent and 6 percent, respectively, over the levels of production in 1964.

Total red meat production in 1965 reached 759,000 metric tons, up about 5 percent from 1964. Production of most types of meat increased. Milk production declined.

Agricultural inputs: Agriculture in Spain suffers from small size and fragmentation of land holdings, irregular rainfall from year to year, and soil erosion. Over 64 percent of the Spanish farms are less than 5 hectares in size, and these farms account for only 6.8 percent of the total cultivated area. Total income accruing to the agricultural sector has been low and has resulted in low levels of fertilizer consumption and mechanization. While irrigation has offset the shortage and variability of water supply in some areas, the total amount of irrigated land is relatively small. In 1964 only 2.0 million hectares, or 10 percent of the cultivated area, was irrigated. However, plans currently being carried out or under study would expand the irrigated area to as much as 3.1 million hectares.

Spain's agricultural labor force (including forestry and fishing) in 1964 totaled 4.2 million or one-third of the total labor force. In recent years, agriculture has been facing the problem of a rural labor exodus. In 1964 alone 250,000 left the farms. The exodus of farm labor has resulted in a 50 percent increase in rural wages in the past 3 years and a shortage of labor at harvest time. Labor productivity in agriculture is low. The average productivity per person in agriculture during 1964 was approximately half of that for the rest of the economy.

Total investments (public and private) in agriculture are increasing. Total investments, including irrigation projects, amounted to $333 million annually in 1963 and 1964, more than double the average investments in 1959 and 1960, and 52 percent above those in 1962. More than half of the total investments in agriculture in 1963 and 1964 were made by the Government and public agencies. Of the $146 million average private investments in agriculture in 1963 and 1964, about two-thirds was spent on machinery and equipment. There were 13,152 tractors in Spanish agriculture in 1964, as against 114,410 in 1963 and 56,845 in 1960. The Plan calls for the number of tractors to reach 248,385 by 1967.

Utilization of fertilizers in Spain has been increasing rapidly in recent years. Consumption of commercial fertilizers was 756,000 metric tons in 1964, or 23 percent over 1960.

In addition to heavier use of fertilizers and increased mechanization in agriculture, the current Plan calls for a 300,000-hectare increase in the irrigated area (of which 270,000 hectares will be newly irrigated land), land consolidation covering 998,000 hectares, and soil conservation practices applied to 154,000 hectares annually.

Foreign trade: Spanish exports in 1964 totaled $954 million, nearly 30 percent over 1963. Agricultural exports accounted for 51 percent of total exports of $487 million, 27 percent over 1963. Almost one-half of the increase in agricultural exports in 1964 was accounted for by the larger citrus exports. Shipments of agricultural fats and oils in 1964 rose 17 percent over 1963.

Spain's major agricultural exports are fruits (mainly oranges), vegetables, wine, olives, olive oil, and nuts. Exports

of fruits and vegetables, the most important agricultural exports, totaled $336 million in 1964, or 69 percent of total agricultural exports. European markets absorb about 70 percent of Spain's total exports. About 40 percent of Spanish exports go to the EEC countries, and a large percentage of these are agricultural goods. The United States is also an important market for Spanish agricultural products, taking $47.1 million in 1964 and $38.9 million in 1963.

Spain's agricultural trade has been increasing rapidly. Agricultural exports in 1963, 1964, and 1965 (estimated) increased over the 1958-62 average by 10, 43, and 16 percent, respectively. Agricultural imports for the same 3 years increased by 48, 58, and 128 percent, respectively, over the 1958-62 average. It is estimated that agricultural imports in 1965 may have reached $650 million, 55 percent more than those in 1964.

Spain's major agricultural imports are feedgrains, sugar, natural fibers, tobacco, vegetable oils and oilseeds, coffee, tea, hides and skins, and meat and meat preparations. The United States has been an important supplier of agricultural products to Spain. In 1964, the U.S. sold Spain $93 million worth of agricultural products. The value of U.S. sales fell off $30 million from the prior year because of reduced exports of feedgrains and soybean oil. Nevertheless, grains, soybeans and soybean products accounted for three-fourths of U.S. exports to Spain in 1964. Spain's imports from European countries comprise over 50 percent of its total value of imports but European markets provide only one-fourth of total agricultural imports. Grains, meats, cheese, and other livestock products, and vegetables account for the bulk of imports from the European countries.

Outlook: Because of increasing demand and below normal agricultural production in 1965, Spain offers a growing market for imports of a number of agricultural commodities in 1965/66. Commodities falling into this grouping are vegetable oils, oilseeds, feedgrains, protein meals, and cotton. The Spanish market for feedgrains and soybean products will grow in 1965/66. Spain's low feedgrain production in 1965 combined with low feedgrain carryover stocks, poor pasture conditions, and emphasis on livestock expansion, will stimulate feedgrain imports. Imports of feedgrains in 1965/66 probably will exceed 2 million metric tons, or about one-third more than in the prior marketing year. Import requirements for corn are estimated at 1 million metric tons, nearly one-third over 1964/65. Barley imports should be about 850,000 metric tons or about 50 percent over the prior year. The U.S. loan of $35 million in September 1965 to the Spanish agricultural co-operatives (C.O.E.S.) provides for a purchase of 600,000 metric tons of feedgrains during the next 3 years and should result in sizable imports of U.S. feedgrains in 1965/66. Imports of wheat in 1965/66 probably will remain at about the previous year's level of 100,000 metric tons, although the mounting pressure in Spain for higher quality wheats may result in larger wheat imports in 1965/66.

The market for U.S. soybean products in 1965/66 should nearly double the level in 1964/65. In 1965/66, Spain will very likely import from 180,000 to 200,000 metric tons of vegetable oils (most likely soybean oil from the U.S.) as well as large quantities of U.S. soybeans for its 7 modern crushing plants. While the olive oil crop is expected to be 60 percent higher than in 1964, it will still be below the normal 400,000 metric tons. Spain will continue to export high-priced olive oil and import cheaper vegetable oils for the domestic market.

Export possibilities for cotton to the Spanish market have been improving. Spanish cotton production has been down in recent years, despite the Government's high support price which is 50 percent above the world market price. The farmers are using new irrigated land to produce other crops offering better returns, such as vegetables and fruits, oilseeds, feedgrains, and sugar beets. Cotton production in 1965 was only slightly above the prior year which was 18 percent below 1963. Assuming no change in consumption, Spain's cotton deficit in 1965/66 is estimated at 180,000 bales of 220 kilograms each.

Tallow imports from the U.S. have been increasing rapidly, amounting to

39,200 tons or $6.4 million in 1964, a 5.6 percent increase in value over 1963. U.S. hides and skins earned $2.0 million in 1964 in the Spanish market. Spain has been a leading consumer of U.S. cigarettes, but the 38 percent increase in the duty imposed in 1965 on U.S. cigarettes will tend to discourage imports. Spain is not self-sufficient in tobacco production. Imports of U.S. tobacco leaf in 1964, at 1,859 metric tons, nearly doubled the 1963 level. U.S. sales of vegetables and preparations to Spain are expected to continue growing in 1966.

In the next few years Spain will have to import breeding livestock in order to accelerate the development of its livestock production. The current Development Plan calls for the allocation of $1.6 million a year for imports of breeding cattle. The need for beef imports will continue, at least for a few years, despite Government efforts to close the consumption-production gap. Uruguay and Argentina have been the main suppliers.

Spain is expected to continue liberalizing the imports of food products to prevent undue price increases and consequent damage to development plans. The United States can look toward more export opportunities as the process of liberalization continues. (James Lopes)

SWEDEN

Economic situation: The current economic upswing which began in Sweden during the first half of 1963 is expected to continue into 1966. During 1965, GNP expanded by 4.5 percent in current prices. Estimated growth in industrial production of 6.5 percent in 1965 was down from the 9 percent recorded in 1964. Industrial investment was high in 1965 and is expected to continue at an increased rate into 1966.

Foreign trade activity continued at an unprecedented rate with a January-September 1965 trade deficit of about $355 million, almost twice the $187 million during the same period of 1964. Although there was a 10 percent rise in exports during this period, an increased deficit resulted from a 15 percent increase in imports. Nevertheless, gold and foreign exchange reserves at $959 million by the end of September 1965 were nearly 6 percent higher than a year earlier.

Agriculture's share of the GDP declined from 8 percent in 1950-52 to slightly more than 4 percent in 1964, largely because of the upswing in the general economy during the 1950s, the movement of people off farms, and the conscious effort to limit agricultural production.

Agricultural policy: The 6-year agricultural price and market program expired on August 31, 1965. It was replaced by a temporary program which embodies all the principal features (with one exception) of the old program, whose roots go back to 1947. The so-called income-rule, which called for annual adjustments of farmers' incomes in response to changes in the wages of industrial workers, has been dropped and replaced by what is called "inflation protection." Present policies provide for the raising of farm income in 1966 by about $11.6 million. This is to be achieved through higher prices paid to farmers and increased subsidies which in turn will be financed through higher import taxes. Partly because of the current impasse in the EEC Common Agricultural Policy and the GATT (Kennedy Round) negotiations, the Agricultural Policy Committee may not be able to present its recommendations for a new program in time for consideration by the Government during fiscal year 1966. As a consequence, the temporary or interim program may remain in force until August 31, 1967. Farmers and their representatives tend to oppose suggested changes toward less agricultural protection and less reliance on agricultural self-sufficiency. Farmers' representatives speak about an ever-widening income gap between small farmers and industrial workers.

Sweden is the only industrial nation in the world where agricultural production has not increased in the last decade. In fact, the agricultural production index has varied less than 11 points between 1938/39 and 1965/66. A main goal of agricultural policy has been income

equality between efficient family farmers and industrial workers located in rural areas. This goal has been sought through a system of target prices supported by price regulations, subsidies, import taxes and, as necessary, the restricting of imports and the subsidizing of exports. Policy has supported the development of larger, more diversified farms.

There is considerable pressure to export the surplus production of wheat, pork, eggs, and milk products. Sizable export subsidies are involved in making these products competitive in world markets. Import taxes, used to pay for the agricultural support system, have more than doubled since September 1959. There appears to be general agreement that efforts to raise productivity in agriculture should be intensified. Sweden has been essentially self-sufficient in temperate climate agricultural products for the past decade but the self-sufficiency has been costly.

Agricultural production: In 1965 livestock production increased slightly while crop production, though 3 percent below 1964, was still above the 1960-64 average. Generally adverse growing and harvesting conditions resulted in smaller crops of grains, sugarbeets, fruit, and hay. A substantial part of the wheat harvest was not of milling quality and therefore a considerable quantity will be available for feed and for export.

The increased acreage devoted to winter wheat for the 1965 harvest, though coupled with a substantially lower yield than the previous year, resulted in a larger harvest of winter wheat while the 1965 crop of spring wheat was smaller in area, yield, and production. Production of oats and mixed grains declined largely because of a reduction in acreage. Acreage and production of barley increased. Both potato and sugarbeet acreages were reduced in 1965. Although potato yield was higher than in 1964, the yield and sugar content of the sugarbeets was reduced. The harvest of potatoes increased but sugar beet production was smaller than in 1964.

The 1965 deciduous fruit crop failed almost completely in the home orchards and output from the commercial orchards was also below normal.

The 1965 hay crop was about 5 percent below the 1960-64 average and was of below-average quality. The production of fodder roots was reduced to 80 percent of the average because of reduced acreage. The feed shortage resulting from this and the smaller supply of beetpulp available will be supplemented somewhat by above-average supplies of low-grade wheat and rye.

Agricultural inputs: The input of hired farm labor declined by almost 50 percent between 1955 and 1965 compared with a decline of about 40 percent for total labor input in agriculture. In 1960 there were 331,000 people who were solely employed in agriculture, 10.2 percent of the total economically active population. The proportion dropped to less than 8 percent in 1965. Hired labor now makes up only about 10 percent of the agricultural labor force.

Domestic and imported tractors and equipment of excellent design and quality are readily available. On the other hand, agricultural labor is in short supply. These and other economic forces have so stimulated mechanization that farms with 20 or more hectares of arable land have an adequate number of tractors. Tractor purchases now average over 11,000 per year with 169,000 tractors in operation during 1964. Combines are increasing at about 2,000 per year and now are used to harvest about 68 percent of the grain crop. The use of milking machines and other machinery and equipment has also increased rapidly.

Commercial fertilizer is applied according to soil test indications. Use averaged 83 kilograms of plant nutrients per hectare of arable land in 1963/64. Fertilizer use is most intensive for truck crops, sugar beets, and oilseeds. On the better cropland, nitrogenous fertilizers are frequently applied to breadgrain to the "lodging limit." On the basis of total use, grain crops, which cover more

than 40 percent of the crop area, are the largest recipients of commercial fertilizers.

Emphasis continues on increasing farm size and improving the efficiency of farm buildings to make more rational use of the available resources. Although holdings of 2 to 5 hectares still account for about 29 percent of all farms, their number decreased almost 11,000 from the Fall of 1961 to December 31, 1965. Total farm numbers declined 22,500 or about 3 percent per year over the same period.

Foreign trade: Stimulated by brisk economic activity both at home and abroad, Sweden's foreign trade reached its highest level in history during 1964. Total imports reached $3.8 billion and exports, $3.7 billion. Trade with the United States followed the general pattern, with both imports by Sweden of $385 million and exports of nearly $200 million setting new records. The U.S. retained a 10 percent share of Sweden's import trade, ranking third after West Germany and the United Kingdom. The U.S. is Sweden's fifth best customer after West Germany, the United Kingdom, Norway and Denmark. Trade also expanded in 1964 with both the EFTA and the EEC. Exports to the EFTA rose 15 percent, to the EEC 10 percent. Imports from the EFTA were up 17 percent and from the EEC 18 percent. The agricultural share of total imports was $544 million in 1964, a 12 percent increase over 1963 while agricultural exports of $140 million were 4 percent less than for 1963.

About half of the 1964 imports of agricultural products came from Denmark, Brazil, the United States, Spain, and Italy. There was an increase in imports of sugar, coffee, animal feed, and tobacco but a decline in the imports of grains, hides and skins, and fats and oils. In 1964 the principal export markets for agricultural products were West Germany, the United Kingdom, Italy, East Germany and Denmark. U.S. exports of agricultural products to Sweden during 1964 totaled $54.5 million, compared with $40.9 million in 1963 and $46.8 million in 1962. Principal U.S. exports are tobacco, fruit, and cotton.

Trade in most agricultural and industrial products with 11 eastern countries, including the USSR and Mainland China, was freed from license obligation on October 1, 1965. Food and fiber imports in 1964 from these countries corresponded to about 3 percent of total imports of food and fiber. It is too early to forecast the possible effects of this liberalization on imports from these countries.

Outlook: Agricultural production is expected to decline slightly in 1966. An increase in meat production is expected to be largely offset by small decreases in the production of milk, eggs, poultry, and breadgrains.

Total exports for 1965 are believed to have been almost one-tenth larger than in 1964 and are projected to increase further by 5 percent in 1966. Imports, which increased 14 percent in 1965 are projected to grow by 6.5 percent in 1966. (David W. Riggs)

SWITZERLAND

Economic situation: The Swiss economy has expanded strongly in recent years. GNP rose 4 percent in 1963 and 6 percent in 1964. A leveling off of Switzerland's economic "boom" became increasingly evident during the second quarter of 1965. Switzerland continues to experience inflation. In 1964 and 1965, the cost-of-living index rose less than 3 percent each year, compared with increases of 4 percent in 1962-63 and 2 percent for 1960-61.

Total employment in 1965 declined (about 1 percent) in all industries, except chemicals, watches, and construction. Most of the decline probably occurred in the number of foreign laborers, who account for nearly a third of the labor force, as the Government required all firms to reduce the number of foreign laborers by 5 percent during 1965. By the end of June 1965, wages were nearly 5 percent above June 1964.

During the first 9 months of 1965, exports increased 12 percent over the

same period in 1964 and imports increased only 2 percent. The value of imports exceeded exports by 28 percent in the first 9 months of 1965, compared with 41 percent for the same period of 1963, and a 34 percent annual average for the period 1961-64. However, as in the past, the trade deficit was offset by capital inflows, receipts from tourism, etc., which resulted in a net surplus in the balance of payments. As a result, official gold and foreign exchange holdings expanded to $2,872 million by the end of September 1965, up $22 million from September 1964.

The Swiss had a per capita income of $1,755 in 1964, among the 5 highest in the world. In 1963 about 29 percent of total consumer expenditures were for food, compared to 32 percent a decade earlier.

Agricultural policy: The objectives of Swiss agricultural policy remain essentially the same as established by the 1951 Law on Agriculture: to maintain a high level of domestic production, to insure adequate food supplies, and to maintain a large rural population. Production is encouraged by farm price supports at the highest level in Western Europe. Domestic farm prices are protected through the close control of imports of competitive products. Noncompetitive agricultural imports face few restrictions.

Agricultural production: The Swiss agricultural production index was estimated to be 132 in 1965, down from 136 in the previous year (1939=100). Growing conditions in 1965 were characterized by a rainy, cool summer. This weather was favorable for forages and resulted in a large production of hay, but it was of poor quality. Wet weather at harvest time contributed to reduced yields and poor quality of grains and potatoes.

The quality of the 1965 breadgrain crop was below average, with output 9 percent below 1964. The total breadgrain area remained at the 1964 level. With consumption about unchanged, the decreased domestic production plus the lower quality of wheat should require increased imports in 1965/66, especially for quality wheat.

The 1965 coarse grain harvest declined from 1964. The oat area continued to decline with a shift to barley and corn. Since the number of grain-consuming animals is expanding, imports of feedgrains are expected to increase in 1965/66.

Due to a decreased area and a lower average yield, the 1965 potato crop was down substantially from 1964. The potato area has declined as a result of the labor shortage. Potato land has been shifted to hay, pasture, and mechanized sugar beet production. The sugar beet area remained stable in 1965. Sugar production was expected to be about 56,000 metric tons compared with 51,000 in 1964.

Milk production, which accounts for about one-third of total Swiss agricultural revenue, increased in 1965 and was estimated at 3.2 million metric tons. An increase in cow numbers and improved grazing were the reasons production increased. Dairy organizations and federal authorities are making special efforts to increase cheese production to take advantage of favorable export markets and increased domestic consumption.

Production and consumption of pork increased during 1965 and further gains are expected through 1966. As production will probably increase faster than consumption, imports will be reduced in 1966.

Beef and veal production declined slightly during 1965 and may not increase in 1966 since heifers and cows are being retained for herd building. Import requirements for 1966 will be about the same as 1965.

Consumption of poultry meat continues to increase in Switzerland but at a slower rate than in 1961 and 1962. Increased production in 1965 caused a leveling-off of imports of poultry meat.

Agricultural inputs: Switzerland does not have much good agricultural land. Only about one-fourth of the land area is cultivated, with another one-fourth in alpine pastures. The remainder is forest and mountain land. The small size of farms further handicaps production. Of 206,000 farms in 1955, less than 9,000

contained more than 20 hectares. Farms not only are small, but many consist of a large number of small scattered plots, averaging 8 plots per farm, and in some areas running as high as 17 or 18 plots per farm.

The mountain regions include about one-third of the agricultural population, one-third of the farms, one-third of the cultivated areas, nearly all the pastureland, and two-thirds of the forests. The productivity of labor on mountain farms is about one-third that of the lowland farms. Future increases in production (presently three-fourths livestock products) will come largely from increased productivity of livestock which will require increased feed imports. A smaller gain may also come from increased crop yields.

With higher wages in industry, many among the farm population have moved to nonfarm jobs. Between 1950 and 1964 the male agricultural labor force declined by one-third to about 200,000.

Mechanization is proceeding rapidly in Switzerland. Tractor numbers increased to 63,000 in 1963. However, the small size of Swiss farms, fragmented holdings, and the topography greatly restrict mechanization.

The use of commercial fertilizers in Switzerland has increased considerably in recent years. In 1963 the total application of fertilizer nutrients was 19,600 metric tons of N, 47,700 metric tons of P_2O_5, and 53,400 metric tons of K_2O. This was an increase over 1958 of 37 percent for nitrogen, 12 percent for phosphate, and 26 percent for potash.

Foreign trade: Agricultural imports totaled $692 million in 1964, up 12 percent from 1963. They comprised nearly one-fifth of total imports. The only agricultural export of importance was cheese, valued at $42 million in 1964. Over 40 percent of the cheese exports were sold to Italy. France, receiving 22 percent, was the second most important market, followed by West Germany, the United States, and Belgium.

Grain is an important Swiss import. In 1964, wheat and flour imports accounted for $29 million and feedgrains $37 million. Canada furnished about one-half of the wheat imported in 1964. U.S. exports of wheat and flour to Switzerland in 1964 amounted to $9.5 million as compared to $10.7 million in 1963. France has become the largest supplier of feedgrains. In 1964, U.S. feedgrain sales were less than one-fifth of the 1962 level of 158,000 metric tons, even though total Swiss feedgrain imports (including wheat, rye, and rice for feed) were up 9 percent.

Swiss fruit imports amounted to $86 million and vegetables amounted to $44 million in 1964. Principal suppliers of fruits and vegetables were Italy, Spain, and France, In 1964, the United States supplied $10 million of total Swiss imports of fruits and vegetables.

Meat and live animals were important Swiss agricultural imports in 1964, totaling $92 million. In 1965, about one-fifth of the meat consumed was imported. About one-fourth of total meat imports was poultry meat. The U.S. share of Swiss poultry meat imports decreased from 70 percent in 1960 to 18 percent in 1964, while total poultry meat imports rose 33 percent. Most of the increased quantity was supplied by France and Denmark. This loss of the U.S. share was largely a result of lower-priced subsidized poultry exports from European suppliers. In 1965, the United States announced a subsidy on poultry meat exports to Switzerland in an attempt to regain its former position in the Swiss market.

Switzerland imported raw cotton ($35 million) and wool ($36 million) for the textile industry in 1964. The United States supplied $10 million of the cotton imports in 1964. Swiss unmanufactured tobacco imports in 1964 amounted to $31 million, of which the United States supplied about half.

Outlook: The Swiss have the second highest per capita income in Western Europe. Consumer demand is expected to continue strong in 1966, and should make Switzerland a continued good market for certain U.S. agricultural products. Despite the strong competition experienced in the Swiss market in the last few years, U.S.

agricultural exports rose to $71 million in 1964, $12 million over the previous year.

Cheese production and exports probably will rise in 1966. Increased pork production in 1966 will likely result in a decline in pork imports. Poultry meat production will continue to increase, and poultry meat imports probably will level out.

Wheat imports are expected to increase; the U.S. share may also increase. Also, feedgrain imports should rise and prospects are good that imports of U.S. feedgrains will increase. (George W. Coffman, Jr.)

UNITED KINGDOM

Economic situation: In 1965 the United Kingdom's balance-of-payments problem continued and a new crisis in confidence in the value of the pound sterling occurred. To restore international confidence in the pound sterling, the Government introduced further remedial measures designed to dampen domestic demand and reduce the balance-of-payments deficit. The Government's display of determination not to devalue the currency, a further international credit arrangement, and expanding exports brought about a revival in confidence in the pound. Corrective actions are expected to have succeeded in reducing the 1965 deficit to perhaps less than half that in 1964--$840 to $980 million compared with $2 billion in 1964. The Government believes that the balance of payments will move toward equilibrium during the second half of 1966.

The economy operated at near full productive capacity in 1965. The Government is stressing that although the economic situation has improved during 1965, there is still a long way to go and the present high rates of taxation, high interest rates, and the 10 percent import surcharge are likely to continue through 1966.

Agriculture, though a major industry, forms a smaller part of the general economy than in any other industrial country. It employs about 900,000 people, about 3.5 percent of the active population, and contributes less than 5 percent to GDP.

Agricultural policy: Though more in terms of legislation proposed than enacted, 1965 was a significant agricultural policy year. Action on many proposals made during 1965 await parliamentary approval.

The 1965 agricultural policy year began with the publication of the Annual Review and Determination of Guarantees, 1965, in March. This Annual Review, the first held by the newly elected Labour Government, increased the value of the price guarantees and production grants by about $28 million. The Review increased the guaranteed prices on milk, slaughter cattle, potatoes, and sugar beets and reduced the guaranteed price on pigs, eggs, wheat and barley. No changes were made in support prices on sheep, wool, oats, or rye. Changes were made in the mechanism for the payment of the price guarantee on pigs, and the "standard quantities" (amount on which full guaranteed prices are paid) for wheat, barley, and fluid milk were increased. Other changes made in the grants and subsidies included a proposed extension and expansion of the 1959 Small Farmers program, improvement of agricultural credit facilities, grants for cooperatives in agricultural products as well as in horticulture, and increases in the subsidies on dairy calves and beef cows. The fertilizer and lime subsidies were reduced somewhat.

In the months following March, the Government published several white papers and announced a National Economic Development Plan. The "Development of Agriculture," the first white paper, proposed to offer a grant or an annuity to farmers who consent to sell their small holdings for amalgamation. It proposes also to set up rural development boards to aid in more effective joint utilization of some areas for agriculture, forestry, recreation and tourism, and to encourage the organization of farmer cooperatives. The second white paper proposed the creation of a commission to improve the marketing of meat and livestock. It would be financed by a levy on all animals slaughtered. Though the commission would

undertake educational programs, market promotion, market intelligence, and carcass classification functions, it would not undertake any trading activities and would have no authority for market intervention (price support, etc.).

The National Economic Development Plan for the United Kingdom was released on September 16, 1965. It contained a major section on agriculture which is considered to be capable of economic expansion along lines which will aid the balance of payments. The projections in the Plan are based on assumptions of a 25 percent increase in national income between 1965 and 1970 and an increase valued at $560 million in the demand for agricultural products. The objectives of the agricultural sector of the Plan are two-fold. One objective is to continue to increase the efficiency of production, partly to release manpower, while the second objective is to achieve an increase in the production of beef. In order to do this, the production of additional feedgrains will be encouraged and milk production will be increased.

Under the Plan, the existing system of agricultural support will continue until 1970. The "standard quantities" of wheat and barley will not be reduced for at least 3 years and the guaranteed price for beef cattle will be maintained at the present level for the next 3 years, in the absence of any significant change in economic conditions. Farmers are being assured that for the next few years increases in efficiency in grain and beef production will lead to higher incomes because the risk that higher production will lead to lower prices has been removed. The Plan stresses efficiency--that is, better use of capital and manpower. Any commitment by the Government to increase its financial assistance beyond the levels now being given will be announced in the Annual Review and Determination of Guarantees, March 1966.

For the first time since the Second World War, a divergence has developed in the broad policy outlook on agricultural matters between the two main political parties. The Labour Government Plan for the next 3 years envisages a continuation of the deficiency payments system founded upon the Agricultural Acts of 1947 and 1957. On the other hand, the Conservative Party now feels that the development of agricultural policy should be towards support by import controls. Both parties, however, seem to be committed to the policy of providing a greater part of the U.K.'s need for agricultural products from domestic production if climatic and technical conditions make this possible.

The agreements on butter and bacon import quotas which were negotiated during periods of glut in 1962 and 1963 are not at this time serious impediments to trade. The implementation of the Grain Agreement however, is of significance and concern to exporters including the united States. The U.K. Plan considers that a further expansion of grain production in the U.K. is economically desirable. If domestic production increases in line with the experience of the past 4 years, in response to the guarantees offered in the Plan, domestic production will be likely to satisfy a larger-than-traditional share of the U.K.'s market.

The United Kingdom and Ireland have entered into a Free Trade agreement (see Ireland, page 32) to come into force July 1, 1966.

Agricultural production: Net output of agricultural products showed a 10 percent increase between 1963/64 and 1964/65. A substantial increase is also forecast for 1965/66.

The fall sowing of winter wheat in 1964 was completed early because of very favorable weather conditions. Nearly 800,000 hectares of wheat were sown, the most since 1947. As the winter of 1964 and spring of 1965 were mild, the sowing and planting of crops was completed earlier than usual. By the end of June, the land in crops was 200,000 hectares more than in 1964 and at 4.85 million hectares was the highest since 1953.

Pastures were excellent and grass was abundant because of abundant rain but the hay harvest was damaged. The quantity of hay stored was nearly average but the quality had suffered. The grain crops were damaged by storms and the harvest was prolonged and expensive. Good

yields of fodder crops and increasing supplies of ensilage should provide adequate feed for the winter. The cash root crops including potatoes and sugar beets flourished but the sugar content was lower than normal because of the heavy rains and reduced sunshine.

In spite of the weather, the grain harvest was salvaged by the increased use of combine harvesters and mechanical drying. However, the quality of the grain suffered. The total harvest, particularly of wheat and barley, reached a new record high of about 13.5 million metric tons of grain. Apple and pear production was average in 1965 but the plum crop was the second lowest since the war and, except for black currants, the small fruit crop also suffered.

The milking herd increased slightly between June 1964 and 1965 after a period of contraction. Production of milk in 1965 was 4 percent more than in 1964.

Total cattle marketed in 1964/65 reached almost 3.4 million, 369,000 less than during the previous marketing year. This decline was primarily due to a cessation and perhaps reversal of the previous trend toward marketing cattle at younger ages, and to a decline in the number of Irish feeder cattle imported. The decline in culls from the milking herd was also a contributing factor. Production of beef was nearly 10 percent less than in 1963/64 although there was a slight rise in the average slaughter weight. The beef breeding herd is being expanded some as more calves are saved for breeding.

Retentions for breeding from the 1965 crop of lambs was higher than a year earlier and the rate of ewe culling also dropped so that the breeding flock in December 1965 was well above the previous 2 years. Marketing of sheep was reduced in 1965 because of the increased retentions and because of a fall in the number of sheep imported from Ireland for fattening. The number of lambs on farms in June 1965 was some 100,000 greater than a year earlier.

The hog breeding herd expanded through early 1965 and reached peak in June. Marketing of pigs in 1964/65 totaled 13.3 million, about a million more than in the previous marketing year.

The production of broilers, culled hens, and turkeys continued to increase and reached 375,000 metric tons in 1964/65, almost 11 percent above that in 1963/64.

Agricultural inputs: Farm wages have been increasing at a rate that has forced farm operators to substitute capital improvements and economize on hired labor. Nevertheless, farm wages continue to be below urban or rural nonfarm earnings, and the long-term movement of labor from agriculture continues. Between June 1962 and June 1965, the number of full-time male farm employees dropped 15 percent, from 420,000 to about 355,000. The United Kingdom has one of the world's most highly mechanized farm economies, with about 1 tractor for every 30 hectares of arable land. Tractors and some other machinery now purchased are mainly for replacement of worn out or obsolete equipment.

Between 1955/56 and 1963/64, consumption of commercial fertilizers increased markedly. Despite the fertilizer subsidy, the use of phosphate fertilizers increased only 12 percent, but nitrogen and potash consumption increased 95 and 57 percent, respectively. Fertilizer application per hectare of agricultural land (including arable land and permanent grassland but omitting rough grazing land) in 1963/64 was estimated to be about 46 kilograms of N, 37 kilograms of P_2O_5 and 37 kilograms of K_2O

Foreign trade: The United Kingdom's trade performance showed improvement during the first 11 months of 1965. The value of imports increased very little over 1964 while exports were about 7 percent higher. The 15 percent import surcharge, which had little direct effect on agriculture, was reduced to 10 percent on April 30, 1965.

The United Kingdom is the world's leading importer of agricultural products. These products have averaged about 40 percent of its total imports of about $13 billion annually in recent years. The

leading agricultural imports in 1964 were meat and meat preparations, fruits and vegetables, cereals and cereal preparations, natural fibers, dairy products, eggs, sugar, tea and spices, and tobacco.

Exports of agricultural products account for about 5 percent of total exports. Most agricultural exports are made up of re-exports of products which have been processed in the United Kingdom, such as refined sugar, cocoa, vegetable oils, and clean wool.

About half of the agricultural imports in value terms come from the Commonwealth nations, chiefly Australia, New Zealand, and Canada. The United States ranks first among non-Commonwealth suppliers, furnishing about 7 percent of the total in 1964. EFTA countries supplied about 11 percent, of which 85 percent was of Danish origin.

The United Kingdom was the United States' second most important European market for agricultural products in 1964. U.S. exports to the United Kingdom averaged $437 million annually during 1959-64. Major products in 1964 were unmanufactured tobacco ($117 million), feedgrains ($93 million), animal fats and oils, principally lard ($59 million), cotton ($31 million), fruit and fruit preparations ($23 million), and wheat ($19 million).

Outlook: The details of the white papers presented to Parliament for consideration and published as the 1965 Agricultural Act will be translated into dollars and cents in the 1966 Annual Review and Determination of Guarantees. This will be published in March following extensive consultations between the Government and the National Farmers Unions. It seems likely that the net effect of the legislation will be the stimulation of red meat production, accompained by increased milk production, and a continuation of the increase in grain production, particularly of barley. As a result, it is likely that the production of these products will increase faster than consumption. If this does occur overseas suppliers may not be able to maintain their historical share of the market. (David W. Riggs)

Table 1.--Western Europe: Selected

Country	Population	Total labor force	Agricultural labor force 1/	Agricultural labor force as proportion of total labor force 1/		Share of total consumer expenditures going for food, 1954 prices	
	1964	1963	1963	1953	1963	1953	1963
	Millions	Millions	Millions	Percent	Percent	Percent	Percent
Austria	7.2	3/3.9	.7	32	18	40	32
Belgium	9.4	3.6	.2	10	6	30	29
Denmark	4.7	2.3	.4	24	18	6/28	6/24
Finland	4.7	2.2	.7	7/46	33	7/39	38
France	48.4	19.3	3.8	2/27	20	36	31
West Germany 8/	58.2	27.2	3.2	20	12	9/42	9/37
Greece	8.5	4.3	2.1	53	48	49	40
Ireland	2.8	1.1	.4	37	32	10/39	10/36
Italy	50.9	20.1	5.3	34	26	47	43
Netherlands	12.1	4.0	.4	13	10	35	29
Norway	3.7	1.7	.3	28	20	32	26
Portugal	9.1	13/3.5	13/1.4	50	13/43	56	3/45
Spain	31.3	12.3	4.5	46	36	34	40
Sweden	7.7	3/3.8	3/.5	20	12	3/32	3/26
Switzerland	5.9	12/2.7	12/.3	16	12/10	32	3/29
United Kingdom	54.2	24.2	3/.9	5	4	10/32	10/29

1/ Agricultural labor force includes fishing, forestry and hunting.
2/ Gross agricultural production includes the agricultural sector only except for the following countries which include fishing, forestry and hunting: Austria, Finland, France, West Germany, Portugal and United Kingdom.
3/ USDA estimate.
4/ At 1953 prices.
5/ 2-year average.
6/ At 1955 prices.
7/ 1954.
8/ Includes West Berlin and the Saar in the 1962-64 periods, excludes West Berlin and the Saar in the 1952-54 period.
9/ Includes beverages and tobacco.
10/ Includes nonalcoholic beverages.
11/ At 1958 prices.
12/ 1962.
13/ 1960.

demographic and economic characteristics

Index of gross domestic production at 1954 prices* (1952-54 = 100)			Index of gross agricultural production at 1954 prices* 2/ (1952-54 = 100)			Gross agricultural production as a proportion of gross domestic production 2/	
1962	1963	1964	1962	1963	1964	1952-54	1962-64
						Percent	Percent
163.6	171.5	182.0	119.0	122.9	128.9	16.8	12.1
4/133.9	4/141.1	4/149.0	4/125.8	4/123.4	4/128.0	5/7.1	6.3
162.4	172.2	176.7	114.0	107.1	113.4	20.9	13.6
169.0	175.2	2/181.7	112.7	119.7	123.5	24.3	16.5
153.6	161.4	170.1	128.2	125.4	127.0	11.6	9.1
189.6	195.6	208.6	113.6	124.2	125.9	9.3	5.7
168.0	181.2	193.0	139.2	152.3	166.6	32.7	27.6
2/121.3	2/124.4	2/132.1	2/105.0	2/105.0	2/108.6	32.8	27.3
169.9	179.3	184.2	114.0	112.9	116.3	25.4	16.3
166.4	170.8	184.9	106.9	96.7	104.2	12.5	7.4
137.7	145.1	155.0	91.8	89.3	92.5	7.5	4.7
154.6	166.0	n.a.	118.4	120.1	n.a.	31.3	5/23.3
11/151.6	11/170.4	11/182.5	11/173.2	11/195.7	11/180.0	18.1	19.7
3/133.8	3/137.8	3/142.9	3/99.2	3/88.9	3/97.2	8.1	5.5
154.3	161.6	n.a.	3/108.4	3/110.5	3/111.3	6.3	5/4.4
125.9	130.0	149.4	122.9	127.1	3/138.1	5.1	4.8

* Values are reported as market price, except for the following countries which report factor cost: Austria, Denmark, Finland, France, Greece, Italy, Norway and Portugal.

Population and expenditures: OECD General Statistics, Main Economic Indicators and European Economic Community (EEC) Agrarstatistik.
Labor Force: OECD Manpower Statistics, Economic Survey of various countries, and Yearbook of International Labor Statistics.
Gross National Product, Gross Domestic Product, and Gross Agricultural Product: OECD National Account Statistics, General Statistical Bulletin and United Nations Yearbook of National Account Statistics.
Finland: Official sources and USDA estimates.

n.a. = Not available.

Table 2.--Western Europe: Production of principal livestock products, 1963, 1964 and 1965 1/

Country and year	Beef and veal	Mutton lamb, and goatmeat	Pork 2/	Total meat	Cow's milk	Butter
	1,000 metric tons					
Austria:						
1963 3/	144	2	220	371	3,049	40
1964 3/	136	1	220	361	3,128	41
1965 3/	128	1	228	360	3,200	35
Belgium-Luxembourg:						
1963	265	2	233	515	4,168	4/84
1964	242	3	234	492	4,231	4/81
1965	232	2	255	502	4,443	4/82
Denmark:						
1963	173	1	644	821	5,086	149
1964	152	1	687	842	5,232	155
1965	150	1	758	914	5,337	167
Finland:						
1963	88	2	67	161	3,758	100
1964	98	2	68	172	3,826	102
1965	102	2	70	179	3,901	100
France:						
1963	1,639	119	1,222	3,084	25,330	432
1964	1,545	125	1,240	3,015	25,227	436
1965	1,573	132	1,322	3,131	25,742	5/479
West Germany:						
1963	1,096	14	1,744	2,866	20,702	493
1964	1,054	13	1,838	2,918	20,830	491
1965	1,050	13	1,900	2,976	21,201	449
Greece:						
1963	51	92	40	183	503	10
1964	56	89	41	186	517	8
1965	62	86	40	188	519	8
Ireland:						
1963	111	39	109	259	2,911	61
1964	92	38	111	241	3,000	63
1965 5/	92	38	122	252	3,200	65
Italy:						
1963	646	47	466	1,206	8,929	57
1964	568	46	565	1,222	8,649	56
1965	540	43	605	1,226	8,825	56

Table 2.--Western Europe: Production of principal livestock products, 1963, 1964, and 1965 1/ --Continued

Country and year	Beef and veal	Mutton lamb, and goatmeat	Pork 2/	Total meat	Cow's milk	Butter
	1,000 metric tons					
Netherlands:						
1963	324	8	420	760	7,011	94
1964	286	6	443	744	6,956	89
1965	289	5/7	5/505	5/816	7,303	5/99
Norway:						
1963	57	15	53	128	1,673	20
1964	58	15	55	131	1,670	20
1965	57	16	58	134	1,653	19
Portugal:						
1963	49	21	90	163	5/324	6/2
1964	45	20	91	159	5/330	6/2
1965	50	20	86	159	5/330	5/ 6/2
Spain:						
1963	172	126	321	639	5/3,213	5/4
1964	222	134	347	723	5/3,225	5/4
1965	240	139	360	759	5/3,193	5/4
Sweden:						
1963	166	2	209	385	3,810	85
1964	157	2	220	387	3,633	80
1965	146	2	228	383	3,681	80
Switzerland:						
1963	115	3	152	276	3,091	35
1964	110	3	158	273	3,014	30
1965	109	2	177	294	3,241	34
United Kingdom:						
1963	944	269	806	2,019	13,160	44
1964	877	257	844	1,979	12,910	24
1965	782	252	914	1,949	13,442	36
Totals:						
1963	6,040	762	6,796	13,836	106,718	1,710
1964	5,698	755	7,162	13,845	106,378	1,682
1965	5,602	756	7,628	14,222	109,211	1,715

1/ Preliminary. 2/ Excludes lard. 3/ Meat production data include variety meats. 4/ Belgium only. 5/ ERS-USDA estimates. 6/ Creamery butter only.

Meat is carcass weight basis. Total meat includes horsemeat but excludes variety, except as noted, rabbit and poultry meat.

Table 3.--Western Europe: Production and area of selected

Country and year	Production								Area			
	Potatoes	Sugar beets	Cotton	Tobacco 2/	Olive oil 2/	Fruit 3/ Apples	Fruit 3/ Pears	Fruit 3/ Citrus	Potatoes	Sugar beets	Cotton	Tobacco 2/
	1,000 metric tons								1,000 hectares			
Austria:												
1950-54	2,758	1,048	---	.7	---	189	36	---	180	38	---	.4
1964	3,438	2,133	---	.8	---	242	64	---	157	53	---	.4
1965	2,690	1,500	---	.8	---	226	52	---	150	38	---	.4
Belgium-Luxembourg:												
1950-54	2,230	4/2,249	---	4/4.6	---	306	194	---	91	4/62	---	4/2.0
1964	1,828	4/3,113	---	4/2.5	---	189	70	---	65	4/64	---	4/ .8
1965	1,306	4/2,450	---	4/2.3	---	174	45	---	54	4/66	---	4/ .7
Denmark:												
1950-54	2,000	2,261	---	---	---	215	22	---	105	66	---	---
1964	1,211	3,154	---	---	---	5/94	5/9	---	54	84	---	---
1965	907	2,065	---	---	---	5/98	5/7	---	42	55	---	---
Finland:												
1950-54	1,315	256	---	---	---	14	n.a.	---	92	11	---	---
1964	848	6/431	---	---	---	n.a.	n.a.	---	71	6/20	---	---
1965	1,415	6/390	---	---	---	n.a.	n.a.	---	73	6/20	---	---
France:												
1950-54	14,388	11,940	---	54.0	9	429	149	---	1,077	403	---	28.7
1964	11,553	16,240	---	43.5	2	1,038	329	---	690	423	---	21.0
1965	11,971	16,000	---	44.5	2	1,060	284	---	647	396	---	21.0
West Germany:												
1950-54	25,610	7,933	---	26.0	---	1,399	442	---	1,160	224	---	10.5
1964	20,625	13,243	---	9.9	---	1,217	483	---	852	330	---	4.0
1965	18,094	11,000	---	9.7	---	1,182	297	---	783	292	---	3.8
Greece:												
1950-54	422	---	29.8	58.2	104	40	33	156	38	---	88.6	93.9
1964	631	6/533	67.5	135.6	130	159	52	409	49	6/12	141.6	144.6
1965	599	6/669	72.0	115.3	190	168	48	441	49	6/16	141.6	137.8
Ireland:												
1950-54	2,694	656	---	---	---	n.a.	---	---	127	26	---	---
1964	1,678	911	---	---	---	12	---	---	74	32	---	---
1965	1,746	779	---	---	---	9	---	---	70	26	---	---
Italy:												
1950-54	2,849	5,831	6.7	72.6	273	802	366	949	390	206	33.2	53.0
1964	3,824	7,062	4.8	78.9	290	2,382	1,082	1,757	356	220	16.2	53.6
1965	3,842	7,439	4.4	78.7	349	2,060	875	1,630	351	265	6/16.2	53.4
Netherlands:												
1950-54	4,069	2,833	---	---	---	338	137	---	154	69	---	---
1964	4,110	3,876	---	---	---	512	145	---	125	79	---	---
1965	3,239	3,650	---	---	---	296	93	---	124	92	---	---
Norway:												
1950-54	1,138	---	---	---	---	50	7	---	57	---	---	---
1964	803	---	---	---	---	57	7	---	49	---	---	---
1965	1,111	---	---	---	---	52	7	---	49	---	---	---
Portugal:												
1950-54	1,139	---	---	---	74	n.a.	n.a.	n.a.	89	---	---	---
1964	1,080	---	---	---	39	n.a.	n.a.	n.a.	106	---	---	---
1965	798	---	---	---	52	n.a.	n.a.	n.a.	95	---	---	---
Spain:												
1950-54	3,561	2,438	13.5	26.2	340	153	75	1,248	355	117	68.4	17.4
1964	3,946	3,500	77.3	25.1	204	270	161	1,857	364	143	198.3	16.6
1965	4,300	4,000	79.5	25.0	327	250	136	1,970	384	170	188.2	16.7
Sweden:												
1950-54	1,701	1,820	---	.3	---	167	37	---	130	54	---	.4
1964	1,238	1,857	---	---	---	261	50	---	81	44	---	---
1965	1,248	1,470	---	---	---	163	34	---	74	42	---	---
Switzerland:												
1950-54	1,193	216	---	2.0	---	249	17	---	57	6	---	1.2
1964	1,352	362	---	1.7	---	218	39	---	43	8	---	.8
1965	1,202	400	---	1.7	---	179	29	---	41	8	---	.8
United Kingdom:												
1950-54	8,378	4,834	---	---	---	533	34	---	421	170	---	---
1964	7,063	6,318	---	---	---	653	70	---	315	179	---	---
1965	7,190	6,096	---	---	---	538	61	---	299	184	---	---
Totals:												
1950-54	75,445	44,315	50.0	244.6	800				4,523	1,452	190.2	207.5
1964	65,228	62,733	149.6	298.0	665	not available			3,451	1,691	356.1	241.8
1965	61,658	57,908	155.9	278.0	920				3,285	1,670	346.0	234.6

1/ All 1965 data are estimates. 2/ The 1964 data are preliminary. 3/ Data for apples and pears include those

crops, average 1950-54, annual 1964 and 1965 1/

Production								Area							
Wheat	Rye	Feed grains				Rice 2/	Total grains	Wheat	Rye	Feed grains				Rice 2/	Total grains
		Barley	Oats	Other	Total					Barley	Oats	Other	Total		
1,000 metric tons								1,000 hectares							
461	419	289	351	161	801	---	1,681	231	243	147	218	76	441	---	915
751	388	605	327	279	1,211	---	2,350	283	166	227	143	76	446	---	895
683	338	514	258	245	1,017	---	2,038	286	161	227	139	81	447	---	894
590	236	269	509	4	782	---	1,608	189	89	86	185	1	272	---	550
945	143	534	403	39	976	---	2,064	235	45	137	119	12	268	---	548
894	103	560	332	38	930	---	1,927	245	36	158	103	13	274	---	555
289	313	1,948	853	792	3,593	---	4,195	79	131	562	262	278	1,102	---	1,312
541	292	3,900	821	659	5,380	---	6,213	128	93	950	211	186	1,347	---	1,568
557	270	4,125	792	492	5,409	---	6,236	126	86	1,045	207	133	1,385	---	1,597
238	170	237	781	30	1,048	---	1,456	153	112	145	463	18	626	---	891
462	163	370	742	41	1,153	---	1,778	268	102	252	470	32	754	---	1,124
508	187	407	855	6/50	1,312	---	2,007	267	111	252	472	29	753	---	1,131
8,580	516	1,946	3,517	859	6,322	70	15,488	4,418	447	1,098	2,265	509	3,872	17	8,754
13,838	389	6,791	2,310	2,556	11,657	120	26,004	4,388	220	2,360	1,094	1,130	4,584	30	9,222
14,523	383	7,294	2,405	3,830	13,529	115	28,550	4,504	221	2,382	1,033	1,119	4,534	30	9,289
3,000	3,338	1,792	2,617	781	5,190	---	11,528	1,104	1,387	701	1,085	318	2,104	---	4,595
5,203	3,609	3,915	2,308	1,339	7,562	---	16,374	1,447	1,146	1,154	766	485	2,405	---	4,998
4,348	2,825	3,368	2,046	1,071	6,485	---	13,658	1,412	1,128	1,185	730	418	2,333	---	4,873
1,090	54	227	139	283	649	63	1,856	975	63	211	148	297	656	18	1,712
2,170	22	278	155	289	722	113	3,027	1,208	19	188	121	155	464	25	1,716
1,999	19	412	177	302	891	107	3,016	1,123	16	231	126	149	506	22	1,667
355	---	194	562	---	756	---	1,111	146	---	70	248	---	318	---	464
271	6/1	538	327	---	865	---	1,137	87	6/1	183	117	---	300	---	388
218	6/1	594	353	---	947	---	1,166	67	6/1	195	126	---	321	---	389
7,840	131	284	544	2,851	3,679	853	12,503	4,891	96	251	461	1,342	2,054	166	7,207
8,582	86	252	465	3,954	4,671	617	13,956	4,408	51	197	384	1,078	1,659	120	6,238
9,780	83	280	518	3,445	4,243	550	14,656	4,290	47	187	368	1,047	1,602	112	6,051
310	474	241	468	58	767	---	1,551	85	173	74	149	20	243	---	501
712	356	376	420	125	921	---	1,989	151	106	87	103	34	224	---	481
720	274	390	350	95	835	---	1,829	158	98	99	100	29	228	---	484
46	2	160	170	8	338	---	386	23	1	66	76	3	145	---	169
20	2	480	126	2	608	---	630	7	1	182	52	1	235	---	243
12	2	476	122	2	600	---	614	4	1	189	50	1	240	---	245
640	184	122	137	432	691	139	1,654	722	264	154	313	479	946	32	1,964
456	131	47	82	526	655	174	1,416	750	300	130	300	490	920	39	2,009
671	207	61	86	394	541	160	1,579	761	330	159	348	480	987	35	2,113
4,218	492	1,934	512	686	3,132	344	8,186	4,237	618	1,580	615	402	2,597	65	7,517
3,966	350	1,600	381	1,130	3,111	336	7,763	4,071	423	1,371	496	490	2,357	61	6,912
4,214	340	1,427	355	1,016	2,798	6/320	7,672	4,252	375	1,421	522	483	2,426	6/61	7,114
807	262	323	844	681	1,848	---	2,917	363	126	142	492	313	947	---	1,436
1,064	116	1,374	1,448	464	3,286	---	4,466	270	43	470	510	177	1,157	---	1,470
932	166	1,400	1,160	405	2,965	---	4,063	288	63	502	484	156	1,142	---	1,493
257	36	56	72	27	155	---	448	91	14	21	26	10	57	---	162
373	67	105	38	62	205	---	645	102	17	30	11	16	57	---	176
342	61	93	31	63	187	---	590	101	18	32	10	17	59	---	178
2,576	53	2,184	2,711	762	5,657	---	8,286	916	24	830	1,155	317	2,302	---	3,242
3,697	25	7,523	1,346	103	8,972	---	12,694	893	8	2,036	455	32	2,523	---	3,424
4,217	20	7,937	1,258	91	9,286	---	13,523	1,032	8	2,177	417	29	2,623	---	3,663
31,297	6,680	12,206	14,787	8,415	35,408	1,469	74,854	18,623	3,788	6,138	8,161	4,383	18,682	298	41,391
43,051	6,140	28,688	11,699	11,568	51,955	1,360	102,506	18,696	2,741	9,954	5,352	4,394	19,700	275	41,412
44,618	5,279	29,338	11,098	11,539	51,975	1,252	103,124	18,916	2,700	10,441	5,235	4,184	19,860	260	41,736

for dessert and cooking only. 4/ Belgium only. 5/ Commercial crop. 6/ ERS-USDA estimates. n.a. = Not available.

Table 4.--United States: Total agricultural exports and agricultural exports by major commodity groups

Country and year	Total 1/	Grains and preparations: Wheat and flour 1/	Grains and preparations: Rice, milled 1/	Grains and preparations: Feed grains 1/ 2/	Cotton excl. linters	Tobacco, unmanufactured	Vegetable fats and oils 1/ 3/	Oilseeds	Oilcake and meal (protein meal)
	Million dollars								
Netherlands									
1956-58	238.8	25.0	.3	60.0	19.4	14.2	11.1	37.7	2.1
1959-61	318.7	25.6	3.4	102.9	21.6	16.4	11.6	61.1	7.5
1963	356.6	23.2	3.3	117.1	13.5	18.2	10.3	54.6	14.0
1964	445.2	28.2	5.8	132.2	13.5	18.6	16.0	85.4	18.4
United Kingdom									
1956-58	443.9	52.3	.4	85.0	94.4	121.2	2.7	6.2	1.6
1959-61	455.3	32.1	3.1	111.6	52.4	128.6	3.2	9.6	1.6
1963	408.0	15.8	7.0	88.2	25.5	122.2	2.4	15.1	.5
1964	439.8	19.4	7.2	92.8	30.7	116.8	7.4	19.6	.5
West Germany									
1956-58	354.1	42.5	.7	29.6	86.9	49.9	24.0	29.9	.7
1959-61	343.7	20.4	5.8	49.4	52.2	52.2	22.4	37.3	4.2
1963	361.4	15.9	7.4	44.9	35.4	64.5	7.2	61.1	9.7
1964	435.3	14.1	7.4	66.2	49.1	67.1	14.5	81.7	18.2
Italy									
1956-58	171.9	16.2	5/	4.1	71.0	5.1	14.0	1.2	3.2
1959-61	170.6	47.7	.2	6.7	58.1	7.0	2.8	11.4	2.7
1963	207.1	15.4	5/	64.2	34.3	8.4	.6	28.3	12.0
1964	220.7	9.9	5/	67.4	59.1	5.8	1.0	32.7	5.5
Belgium-Luxembourg									
1956-58	137.4	15.4	1.5	44.7	26.2	7.9	2.2	10.5	1.6
1959-61	126.5	8.3	1.7	48.8	20.5	9.3	1.0	12.0	3.3
1963	132.4	7.3	2.1	48.4	12.7	9.3	.2	15.4	7.6
1964	165.4	3.7	1.8	57.0	21.5	9.7	1.2	23.5	12.8
France									
1956-58	103.3	21.6	.1	3.2	54.4	4.7	.4	7.3	.2
1959-61	101.0	5.7	5/	.8	64.5	4.1	.6	7.7	1.4
1963	113.9	11.1	.6	1.3	35.6	3.8	.1	10.0	18.1
1964	149.3	8.8	.4	3.7	45.9	4.7	.4	10.9	21.7
Spain									
1956-58	136.7	.7	0	4.8	35.6	3.0	61.4	5/	.1
1959-61	119.1	26.0	.4	14.4	25.7	2.4	37.8	.1	2.5
1963	122.5	5.8	0	52.2	.3	1.3	24.7	2.5	16.4
1964	93.0	1.2	0	30.9	3.3	2.5	14.8	10.8	12.5
Switzerland									
1956-58	50.8	6.3	.3	2.2	10.7	9.3	.8	.9	5/
1959-61	52.2	5.1	.3	2.5	12.0	9.5	.6	1.6	.3
1963	59.1	10.7	1.0	4.2	9.1	9.4	.4	1.3	.9
1964	71.4	9.5	1.9	6.0	13.2	12.5	.1	2.1	1.1
Denmark									
1956-58	41.3	3.9	5/	5.7	2.9	8.5	.1	11.8	1.8
1959-61	55.9	.9	.1	15.6	2.6	10.2	.1	17.2	3.0
1963	77.2	.1	.2	6.4	1.8	11.1	.1	37.2	10.7
1964	70.8	5/	.4	7.5	1.7	10.9	5/	25.0	11.1
Sweden									
1956-58	45.4	1.9	.2	1.0	12.5	10.6	.2	.6	.6
1959-61	43.7	.8	.4	2.5	10.9	12.4	.2	5/	.1
1963	40.9	1.1	.5	.2	8.5	9.7	.8	5/	5/
1964	54.5	.3	.9	.2	9.8	19.1	.6	.6	.5

See footnotes at end of table.

to Western Europe, by country, EEC and EFTA, average 1956-58 and 1959-61, annual 1963 and 1964

Fruits and preparations	Vegetables and preparations 1/	Nuts and preparations	Animal fats and oils	Poultry meat	Other meats and products	Hides and skins	Dairy products 1/	Other 1/ 4/
Million dollars								
18.5	1.7	1.5	17.5	.4	8.3	7.5	.1	13.4
12.6	2.6	.9	18.1	3.6	6.9	9.7	.8	13.6
16.9	6.3	.9	15.1	4.9	8.1	8.2	6.3	35.5
15.1	4.3	1.7	18.5	4.6	13.3	10.6	28.6	30.4
19.1	5.2	5/	23.6	.1	1.3	3.6	.5	26.7
25.2	14.5	.5	32.4	.7	6.7	2.4	2.6	28.3
24.0	28.0	1.1	39.1	1.1	7.7	3.4	.6	26.4
23.0	15.0	2.0	58.6	1.4	12.2	6.7	5.7	20.8
24.4	5.1	2.5	10.8	1.8	5.4	9.1	3.6	27.2
20.0	7.6	1.8	9.4	23.9	7.0	8.9	2.0	19.4
24.3	14.4	2.8	7.5	22.2	6.9	4.7	2.7	29.8
23.5	11.8	1.8	8.9	26.8	8.7	10.0	2.3	23.2
.5	.6	.1	20.8	5/	5/	1.6	11.4	22.0
1.4	.5	5/	17.8	.1	.1	2.2	4.4	7.5
3.0	3.9	5/	11.0	.7	.1	2.5	10.3	12.2
2.5	1.8	.1	12.4	1.0	.6	4.9	6.9	9.2
12.9	1.2	.4	3.6	5/	1.3	.5	.7	6.7
9.8	1.3	.3	2.6	5/	.4	.6	.8	5.6
11.0	3.3	.2	1.6	.1	.7	.1	5.0	7.3
11.6	2.2	1.7	3.1	.1	2.2	.2	8.1	5.1
2.5	.5	.3	.5	5/	.8	.8	.7	5.3
5.2	1.1	.9	1.1	5/	1.8	.6	5/	5.3
9.3	5.2	.3	1.0	.1	7.8	.8	5/	8.7
8.4	3.6	.5	2.2	.1	17.8	1.7	9.0	9.6
5/	.5	0	2.2	0	8.0	.1	4.5	15.7
5/	.8	5/	2.9	.1	5/	.3	3.2	2.4
.6	2.1	5/	7.5	.1	.2	.7	4.4	3.8
.4	1.6	.1	8.0	5/	.1	1.8	1.7	3.2
5.5	3.3	1.7	1.8	2.6	.4	.6	.2	4.4
3.9	2.9	.4	.8	6.9	.3	.8	5/	4.3
4.3	2.8	.7	2.6	3.3	.3	.3	1.2	6.5
4.4	3.2	.5	4.7	2.2	.4	.6	3.5	5.5
2.7	.1	.1	5/	5/	5/	.2	.5	2.9
3.6	.3	.1	5/	5/	5/	.1	.1	2.1
4.7	1.0	.1	5/	5/	.1	5/	1.2	2.5
4.5	1.0	.2	5/	5/	.1	.2	4.5	3.7
11.3	1.4	1.4	.1	5/	1.6	.4	5/	1.6
10.0	2.4	.6	5/	5/	.9	.7	.1	1.8
10.0	4.2	1.7	5/	5/	1.0	.6	.1	2.4
11.0	3.7	1.9	5/	.1	1.6	.6	.2	3.3

Continued-

Table 4.--United States: Total agricultural exports and agricultural exports by major commodity groups

Country and year	Total 1/	Grains and preparations: Wheat and flour 1/	Grains and preparations: Rice, milled 1/	Grains and preparations: Feed grains 1/ 2/	Cotton excl. linters	Tobacco, unmanufactured	Vegetable fats and oils 1/ 3/	Oilseeds	Oilcake and meal (protein meal)
	Million dollars								
Norway									
1956-58	27.9	4.2	5/	5.8	1.7	5.1	5/	3.4	1.2
1959-61	31.8	5.3	5/	6.4	1.6	5.1	5/	5.8	.7
1963	35.5	2.5	.1	7.5	1.5	5.1	.1	7.1	2.7
1964	40.1	5.8	5/	5.2	2.1	5.2	5/	12.1	.8
Greece									
1956-58	44.4	19.3	.4	4.7	1.6	0	5.7	5/	5/
1959-61	22.3	7.6	.7	6.1	.4	5/	1.8	5/	.1
1963	28.6	6.3	.6	9.5	.1	5/	4.8	5/	.6
1964	29.7	4.6	.6	11.7	.5	5/	6.0	0	1.0
Portugal									
1956-58	17.7	5.1	0	5/	6.1	3.2	5/	5/	5/
1959-61	14.3	5.9	.3	5/	2.6	3.8	5/	5/	5/
1963	15.5	3.4	1.0	5/	1.7	3.2	5/	5/	5/
1964	27.0	12.3	.5	.5	4.7	4.0	5/	5/	0
Ireland									
1956-58	16.6	1.4	5/	2.8	.6	8.1	.1	0	.5
1959-61	19.3	.2	5/	4.2	.6	10.4	5/	0	.5
1963	24.1	.5	.1	5.1	.2	12.8	5/	0	1.3
1964	23.6	.3	.2	6.2	.7	10.1	5/	0	2.3
Austria									
1956-58	30.4	4.3	5/	10.4	6.9	2.9	.2	0	0
1959-61	21.1	1.2	.1	12.4	4.2	1.4	5/	5/	0
1963	11.6	0	5/	3.4	2.3	2.4	.2	0	0
1964	15.9	.3	.1	5.6	3.4	3.2	.1	0	0
Finland									
1956-58	12.5	3.9	0	.6	3.4	2.8	5/	.1	.2
1959-61	12.6	.6	0	.1	3.5	3.8	.1	.3	0
1963	19.3	.3	.1	1.1	2.1	5.5	5/	2.5	0
1964	15.5	.7	.2	.2	1.5	3.1	5/	2.2	0
EEC 6/									
1956-58	1,005.5	120.7	2.6	141.6	257.9	81.8	51.7	86.6	7.9
1959-61	1,060.5	107.8	11.1	208.6	216.7	89.0	38.4	129.5	19.1
1963	1,171.4	73.0	13.4	275.9	131.6	104.2	18.4	169.4	61.5
1964	1,415.9	64.8	15.4	326.5	189.1	105.8	33.1	234.0	76.6
EFTA 7/									
1956-58	657.3	78.1	.9	110.2	135.2	161.0	3.9	22.9	5.3
1959-61	674.3	51.1	4.4	151.0	86.2	171.1	4.1	34.2	5.6
1963	647.8	33.6	9.8	110.0	50.5	163.1	4.0	60.8	14.8
1964	719.6	47.5	11.0	117.9	65.6	171.7	8.3	59.4	14.0
Western Europe									
1956-58	1,873.0	224.1	3.9	264.7	434.3	256.7	122.8	109.6	14.0
1959-61	1,908.1	193.3	16.6	384.4	333.1	276.7	82.2	164.1	27.8
1963	2,013.7	119.5	24.0	453.8	184.7	286.9	51.9	235.2	94.6
1964	2,297.3	119.1	27.3	493.4	260.6	293.3	62.3	306.4	106.4

Note: Data do not include the value of commodities placed in bonded storage in Canada for transhipment. Such shipments in 1964 to West European countries were valued at almost $100 million, including about $58 million to the EEC and $30 million to EFTA.

Compiled from official records, Bureau of the Census.

to Western Europe, by country, EEC and EFTA, average 1956-58 and 1959-61, annual 1963 and 1964--Continued

Fruits and preparations	Vegetables and preparations 1/	Nuts and preparations	Animal fats and oils	Poultry meat	Other meats and products	Hides and skins	Dairy products 1/	Other 1/ 4/
Million dollars								
4.9	.3	.4	.2	0	.1	.1	0	.6
4.2	.5	.2	.2	0	5/	.1	5/	1.6
4.7	1.0	.5	.2	5/	.1	.1	5/	2.3
5.1	.8	.8	.3	5/	.2	.3	5/	1.4
5/	5/	5/	.8	5/	5/	.3	2.6	8.8
5/	.1	0	.3	.3	5/	.2	.9	3.6
5/	1.0	0	.3	2.2	5/	.2	.8	2.0
5/	.5	5/	.7	2.1	5/	.2	.3	1.5
5/	5/	0	5/	0	5/	.1	.7	2.4
5/	5/	0	5/	0	5/	5/	1.0	.5
5/	1.4	5/	1.1	0	5/	5/	2.3	1.4
5/	5/	0	1.0	5/	1.5	.1	1.4	1.0
1.9	.1	.1	.2	0	5/	5/	5/	.8
2.3	.1	.1	.1	5/	5/	5/	5/	.9
2.6	.3	.1	.1	5/	0	5/	5/	.9
2.0	.4	.1	.2	0	5/	5/	5/	1.2
.3	5/	5/	2.0	0	5/	.3	.4	2.6
.4	.1	5/	.1	.2	5/	.3	.2	.5
1.0	.3	5/	0	1.1	5/	.1	.2	.5
1.2	.3	5/	5/	.7	.1	.5	5/	.4
1.2	5/	5/	.1	0	5/	5/	5/	.1
3.1	.1	.2	.1	0	5/	.1	5/	.6
5.2	.2	.3	5/	5/	.1	5/	5/	1.9
5.4	.2	.3	.1	0	5/	.1	5/	1.4
58.9	9.1	4.7	53.2	2.3	15.8	19.4	16.6	74.6
49.0	13.2	3.8	49.1	27.6	16.2	22.1	8.0	51.4
64.5	33.1	4.3	36.2	27.9	23.6	16.4	24.3	93.6
61.0	23.7	5.8	45.1	32.6	42.5	27.4	54.8	77.6
43.6	10.4	3.6	27.6	2.7	3.4	5.3	2.2	41.3
47.4	20.7	1.8	33.5	7.8	7.9	4.4	4.0	39.0
48.8	38.7	4.1	42.9	5.6	9.2	4.6	5.6	41.9
49.2	24.0	5.3	64.6	4.4	16.2	9.0	15.3	36.1
105.6	20.1	8.4	84.1	5.0	27.2	25.1	25.9	141.3
101.8	35.0	5.9	86.0	35.8	24.1	27.1	16.1	97.9
121.7	77.2	8.8	87.0	35.8	33.1	21.9	35.1	146.9
118.1	50.3	11.6	118.7	39.1	58.8	38.7	72.2	121.0

1/ Includes food exported for relief or charity by individuals and private agencies. 2/ Feedgrains: Barley, corn, oats, and grain sorghums, excluding products. 3/ Excludes essential oils which are included in "other". 4/ Other commodities: Mainly feeds and fodders, field and garden seeds, coffee, hops, essential oils, sugar and related products, and live animals. 5/ Less than $50,000. 6/ The European Economic Community (Common Market) includes the Netherlands, Belgium and Luxembourg, France, West Germany, and Italy. 7/ The European Free Trade Association includes the United Kingdom, Denmark, Switzerland, Sweden, Norway, Austria, and Portugal.

Table 5.--Western Europe: Agricultural imports by country, European

Commodity and year		SITC number: Major headings	SITC number: Sub headings 1/	European Economic Community: Belgium-Luxembourg	Netherlands	West Germany	France	Italy	Greece	Total
				Million dollars						
Live animals	1962	00		5.4	11.3	104.0	36.1	83.5	10.6	251.0
	1963			4.9	8.0	88.2	49.1	176.9	6.4	333.5
	1964			27.2	33.1	97.2	72.1	154.8	5.2	389.6
Meat and meat preparations	1962	01		22.7	21.4	277.8	45.8	96.2	15.6	479.5
	1963			34.4	24.5	246.0	128.8	230.8	26.8	691.3
	1964			49.5	53.3	288.7	223.7	280.0	32.9	928.1
Dairy products and eggs	1962	02		28.8	4.5	256.0	29.4	106.1	11.5	436.3
	1963			35.0	15.0	240.5	36.2	129.3	12.7	468.7
	1964			51.1	35.4	213.5	45.6	100.2	17.4	463.2
Fish and fish preparations	1962	03		32.4	14.3	69.6	82.6	74.5	8.6	282.0
	1963			35.2	18.1	68.0	98.8	88.2	10.4	318.7
	1964			39.8	21.5	79.3	102.3	85.3	11.2	339.4
Cereals and cereal preparations	1962	04		158.0	250.7	568.1	119.9	232.4	10.5	1,339.6
	1963			158.1	267.2	388.9	118.2	311.9	17.5	1,261.8
	1964			160.6	249.1	454.1	116.6	325.6	20.2	1,326.2
(Wheat and flour)	1962		041,	27.5	67.9	228.3	54.0	36.4	2.1	416.3
	1963		046	40.4	53.8	133.6	59.5	24.3	3.7	315.3
	1964			41.4	47.1	126.4	53.1	47.2	4.9	320.1
(Rice)	1962		042	6.6	10.0	21.0	12.5	.1	.4	50.5
	1963			4.5	7.9	19.3	8.7	.2	.8	41.4
	1964			5.8	10.2	21.3	9.6	.5	.7	48.1
(Feedgrains)	1962		043,	112.8	162.0	284.6	42.1	188.1	6.2	795.8
	1963		044,	101.4	194.5	199.7	35.0	277.4	10.9	818.9
	1964		045	100.3	179.1	266.2	38.2	268.3	12.5	864.6
Fruit and vegetables	1962	05		105.7	106.9	912.8	453.4	66.4	2.4	1,647.6
	1963			110.9	113.0	868.9	492.7	79.9	5.9	1,671.3
	1964			114.2	119.5	946.7	477.2	67.4	4.6	1,729.6
Sugar, sugar preparations, and honey	1962	06		8.6	16.0	45.1	77.9	3.9	8.1	159.6
	1963			18.8	41.3	89.7	77.0	92.2	12.3	331.3
	1964			18.6	56.0	42.4	90.8	108.3	16.3	332.4
Coffee, tea, cocoa, spices, etc.	1962	07		65.9	115.2	333.1	195.2	93.2	8.1	810.6
	1963			68.1	129.7	325.2	201.8	99.9	9.3	834.0
	1964			89.0	156.5	379.2	248.1	115.0	11.8	999.6
Animal feed	1962	08		57.3	99.7	164.3	89.1	27.5	2.7	440.7
	1963			53.9	111.0	179.9	91.9	54.5	3.7	494.9
	1964			59.1	115.6	207.5	96.9	62.6	4.7	546.4
(Oilseed cake and meal)	1962		081.3	23.5	44.7	101.5	66.0	3.7	.5	240.0
	1963			22.0	47.7	113.7	71.5	15.1	.8	270.8
	1964			26.1	47.0	126.6	73.9	7.3	1.3	282.2
(Meatmeal and fishmeal)	1962		081.4	8.0	22.3	44.1	11.1	9.5	1.2	96.3
	1963			7.0	22.7	39.7	10.3	12.9	1.4	94.0
	1964			9.6	24.1	54.2	14.8	15.7	1.7	120.1

See footnotes at end of table.

Economic Community, and total Western Europe, 1962, 1963, and 1964

United Kingdom	Norway	Sweden	Denmark	Austria	Switzerland	Portugal	Ireland	Spain	Finland	Total Western Europe
Million dollars										
129.6	.1	1.2	.8	6.9	6.3	.5	25.3	2.1	.1	423.8
141.3	.1	1.2	.7	8.8	6.0	.3	32.2	3.2	---	527.3
163.9	.1	1.4	.9	5.4	10.6	.7	35.8	3.1	---	611.5
876.2	2.3	15.5	.7	10.0	54.7	2.9	.5	31.7	3.5	1,477.5
876.8	3.9	16.0	1.0	10.4	60.1	5.3	.6	51.5	1.2	1,718.1
1,033.0	5.0	25.8	1.2	17.2	81.4	9.1	.7	18.1	1.2	2,120.8
467.2	.8	6.9	2.4	10.6	26.7	.3	.3	8.6	---	960.2
523.2	1.2	6.7	4.5	13.4	31.2	.3	.3	15.0	---	1,064.5
600.5	.8	7.2	7.9	11.1	39.7	.8	.3	13.0	---	1,144.5
169.2	3.4	28.3	18.0	9.7	17.2	7.5	2.8	5.6	5.4	549.1
140.2	4.1	31.0	18.3	10.2	17.9	7.5	2.5	9.7	6.1	566.2
187.8	4.6	36.3	23.9	11.5	19.3	10.2	2.8	9.6	6.1	651.5
682.0	41.1	32.4	73.7	49.9	86.3	23.5	23.5	92.9	24.1	2,469.1
605.5	40.0	37.4	40.8	42.7	80.7	23.7	26.3	100.4	41.4	2,300.7
613.7	41.3	35.8	62.0	54.3	82.2	28.0	28.3	132.5	16.4	2,420.7
330.1	24.7	8.9	4.1	6.1	37.0	19.3	10.1	66.7	14.5	936.2
322.2	21.0	14.7	1.7	4.1	28.0	13.5	17.1	13.5	28.6	779.7
318.8	25.0	11.6	2.3	3.9	29.1	20.5	12.4	5.7	5.2	754.6
17.2	1.0	2.0	1.1	5.2	5.3	.5	.4	---	2.2	85.4
16.3	1.0	1.7	1.1	5.3	5.0	3.5	.4	---	1.6	77.3
15.6	1.0	2.1	1.0	5.4	4.2	.8	.4	---	2.1	80.7
324.8	13.4	14.2	66.0	37.2	32.7	3.1	11.1	25.3	7.2	1,330.8
254.5	15.7	12.1	33.6	31.4	35.4	6.1	6.7	84.9	10.8	1,310.1
259.7	11.9	9.6	51.2	42.7	36.8	6.0	13.2	123.7	8.6	1,428.0
824.9	46.2	119.5	39.9	61.5	121.1	2.7	22.8	12.8	35.4	2,934.4
791.3	46.9	124.8	40.6	62.5	126.0	6.8	25.1	21.6	37.2	2,954.1
794.3	47.4	126.5	42.7	64.5	130.0	4.2	28.3	16.4	36.0	3,019.9
179.2	17.5	8.9	4.4	8.6	20.4	18.0	4.6	3.9	12.7	438.0
485.6	38.0	21.5	9.1	9.2	31.7	16.9	7.2	51.1	22.7	1,024.3
403.7	27.8	24.1	6.8	3.0	44.1	22.9	9.9	61.3	38.7	974.7
475.2	30.5	81.1	43.2	23.3	45.7	6.3	21.4	18.0	34.4	1,589.8
479.5	31.8	81.8	46.6	25.0	48.2	8.0	24.4	25.1	36.4	1,640.8
472.8	38.2	104.1	54.9	29.9	58.8	8.9	19.7	36.9	51.5	1,875.3
190.4	13.3	30.3	64.0	9.2	14.5	1.6	14.9	16.3	6.8	802.0
174.9	15.0	37.9	73.9	11.5	22.3	2.0	13.9	34.9	12.3	893.5
189.2	14.4	44.1	89.4	12.6	21.8	2.6	14.1	26.3	6.4	967.3
113.9	12.5	20.8	57.6	4.5	3.3	.3	5.9	6.5	3.1	468.3
107.9	14.0	24.8	67.6	5.7	6.8	.3	6.4	19.5	8.3	532.1
97.5	13.0	30.8	80.5	6.3	6.9	.6	6.0	16.9	2.8	543.5
43.1	2/	3.5	3.5	4.3	4.2	.3	1.1	9.0	3.1	168.4
41.6	2/	4.1	3.4	4.7	4.2	.4	1.3	13.3	1.5	168.5
56.2	.2	5.9	4.5	5.7	5.7	.7	1.6	6.8	3.2	210.6

Continued--

Table 5.--Western Europe: Agricultural imports by country, European

Commodity and year		SITC number		European Economic Community						
		Major headings	Sub headings 1/	Belgium Luxembourg	Netherlands	West Germany	France	Italy	Greece	Total
				Million dollars						
Miscellaneous food preparations	1962	09		11.4	10.5	13.7	3.0	3.5	.7	42.9
	1963			14.4	14.0	12.7	3.0	6.9	.6	51.6
	1964			17.1	16.0	14.7	4.5	5.5	.6	58.4
(Lard)	1962		091.3	2.1	7.1	5.4	2/	2/	---	14.6
	1963			2.6	9.1	4.5	.1	.3	---	16.6
	1964			3.6	10.0	4.0	---	---	---	17.6
(Margarine and shortening)	1962		091.4	.5	.4	.3	1.2	.1	.3	2.7
	1963			.6	.8	.5	.4	.1	.2	2.6
	1964			.8	.9	---	.8	.1	---	2.6
Beverages	1962	11		37.8	16.5	90.1	297.2	11.5	.4	453.4
	1963			44.4	19.7	97.4	202.2	15.0	.6	379.3
	1964			49.2	23.5	100.0	254.2	13.1	.6	440.6
(Nonalcoholic)	1962		111	2.7	.7	1.3	.2	.1	2/	4.9
	1963			2.7	.9	1.2	.2	.1	2/	5.1
	1964			3.1	1.1	1.5	.5	.2	2/	6.4
(Wine)	1962		112.1	20.5	10.3	70.4	273.6	3.8	2/	378.7
	1963			23.8	12.3	75.2	172.3	5.7	.1	289.4
	1964			26.5	15.0	77.7	222.8	4.6	---	346.6
Tobacco, unmanufactured	1962	121		24.8	34.6	186.4	34.7	37.0	2/	317.6
	1963			28.8	46.2	165.2	37.2	36.1	2/	313.4
	1964			34.0	55.7	178.1	36.5	26.8	2/	331.1
Hides and skins	1962	21		24.9	26.2	139.0	104.8	90.0	4.5	389.3
	1963			24.5	24.4	147.6	126.7	96.7	5.4	425.3
	1964			26.8	27.9	157.0	129.8	99.2	5.1	445.8
Oil-seeds, oil nuts and oil kernels	1962	22		41.0	98.2	199.3	155.2	77.5	1.7	572.9
	1963			34.4	96.5	205.2	167.6	98.4	3.5	605.6
	1964			46.0	114.3	256.0	162.9	89.1	2.8	671.1
(Soybeans)	1962		221.4	11.7	36.1	107.0	14.6	33.2	---	202.8
	1963			10.3	32.3	115.5	15.4	34.6	---	208.1
	1964			15.1	48.0	150.7	21.5	35.0	---	270.3
Natural rubber	1962	231.1		8.7	12.2	83.8	72.0	47.5	1.9	226.1
	1963			9.2	11.5	85.0	71.8	50.3	2.2	230.0
	1964			9.3	11.4	86.4	66.8	47.0	1.7	222.6
Natural fibers	1962	261-265		282.8	111.0	422.9	459.7	441.3	19.3	1,737.0
	1963			279.5	128.5	445.5	496.1	462.9	23.9	1,836.4
	1964			329.8	135.4	467.6	476.7	466.3	23.2	1,899.0
(Raw cotton)	1962		263.1	53.2	45.7	188.2	167.4	148.5	.5	603.6
	1963			49.7	49.6	181.1	177.6	146.4	1.4	605.8
	1964			54.9	53.8	194.7	175.3	153.3	3.0	635.0
Crude animal and vegetable materials, n.e.s.	1962	29		22.3	25.2	193.9	69.6	35.0	2.0	348.1
	1963			21.1	29.6	189.7	78.1	39.4	2.0	359.9
	1964			22.8	32.3	219.8	85.7	42.0	1.8	404.4

Economic Community, and total Western Europe, 1962, 1963, and 1964--Continued

United Kingdom	Norway	Sweden	Denmark	Austria	Switzerland	Portugal	Ireland	Spain	Finland	Total Western Europe
Million dollars										
53.9	1.2	5.7	2.7	1.8	2.7	1.2	2.2	1.2	1.5	117.0
56.9	1.4	7.0	3.0	1.3	2.3	1.2	2.6	1.6	2.7	131.6
89.9	1.6	8.1	3.3	1.2	2.8	1.7	3.4	1.7	3.1	175.2
44.1	2/	2/	2/	2/	n.a.	2/	n.a.	.1	n.a.	58.8
46.4	2/	2/	---	2/	.3	.1	.1	.2	n.a.	63.7
65.5	---	---	---	---	.5	.7	---	.1	n.a.	84.4
1.2	2/	1.3	2/	.3	n.a.	2/	n.a.	.8	.3	6.6
1.7	.1	1.3	2/	.3	.1	2/	.1	.8	n.a.	7.0
12.4	---	1.6	---	.4	.1	---	.1	.8	n.a.	18.0
126.9	5.1	21.5	11.2	7.7	37.6	.5	7.5	2.2	7.0	680.5
143.7	5.6	22.6	12.2	10.1	43.1	.4	8.7	3.5	5.5	634.7
161.7	6.0	25.9	16.2	7.2	44.4	.6	9.1	5.1	6.8	723.6
.3	2/	.1	.1	2/	1.4	2/	2/	2/	.1	6.8
.4	2/	.1	.1	.1	1.7	2/	2/	2/	2/	7.5
.4	2/	.2	.1	.1	2.0	2/	2/	2/	---	9.2
69.2	2.5	10.9	6.2	6.2	30.4	.1	2.4	.2	2.3	509.0
78.7	2.3	10.6	6.1	8.1	34.3	.1	2.6	.2	2.2	434.6
88.1	2.4	12.1	7.8	5.2	34.5	.1	3.1	.3	2.4	502.6
220.7	9.4	15.9	27.1	10.6	26.3	5.9	13.3	23.4	8.9	679.1
273.1	9.0	15.1	27.5	12.6	28.6	6.6	12.0	20.3	10.5	728.7
247.4	8.0	25.9	29.3	11.8	30.7	6.5	12.3	24.5	8.3	735.8
130.0	4.2	19.9	3.8	7.7	5.7	2.6	1.8	19.3	5.6	589.8
164.8	5.5	21.4	6.2	8.8	5.0	3.8	2.0	21.1	5.5	669.4
160.4	5.6	20.2	18.9	11.0	5.5	5.8	2.1	21.9	7.2	704.4
149.5	15.7	7.9	47.8	3.7	19.3	10.0	1.5	13.2	8.3	849.8
146.7	14.7	12.3	51.3	3.2	17.3	18.3	2.3	9.0	10.0	890.7
133.5	21.6	12.2	52.1	2.2	22.2	16.5	2.0	18.2	10.7	962.3
24.7	7.6	1.2	36.8	2/	---	.3	---	2/	2.9	276.3
29.5	7.9	2/	38.8	2/	---	2/	---	1.8	5.8	291.9
32.7	13.3	---	39.3	---	.1	---	---	6.4	6.5	368.6
142.1	3.0	14.4	3.1	6.4	4.6	2.3	1.9	21.2	n.a.	425.0
116.2	3.0	13.9	3.2	6.2	4.8	3.2	1.9	19.5	4.4	406.3
107.0	2.5	13.6	3.3	6.1	3.8	2.7	2.0	19.0	3.4	386.0
646.5	11.9	37.8	24.4	48.4	72.4	60.9	20.6	79.6	22.1	2,761.6
716.9	14.1	37.1	26.3	54.4	79.1	71.2	21.3	33.5	23.7	2,914.0
732.5	14.6	39.2	26.7	56.8	82.6	79.1	25.2	45.6	22.6	3,023.9
146.2	3.0	15.2	6.1	17.9	29.8	42.7	4.4	49.3	11.0	929.1
147.1	2.7	12.6	6.7	16.2	29.4	46.2	3.6	3.5	11.0	884.8
160.8	2.6	11.8	5.8	19.2	34.7	49.6	4.4	11.9	8.2	944.0
121.4	7.8	31.8	15.3	14.6	27.3	3.0	5.0	6.2	8.4	588.7
129.2	8.1	34.1	17.4	15.2	28.5	3.9	3.9	9.6	11.6	621.4
132.0	9.4	38.8	20.4	15.9	31.7	3.9	3.6	8.8	13.9	682.8

n.a. = Not available. n.e.s. = Not elsewhere specified.

Continued--

Table 5.--Western Europe: Agricultural imports by country, European

Commodity and year		SITC number: Major headings	SITC number: Sub headings 1/	European Economic Community: Belgium-Luxembourg	Netherlands	West Germany	France	Italy	Greece	Total
				Million dollars						
Animal and vegetable oils and fats	1962	4		24.1	42.9	130.0	98.5	108.3	3.0	406.6
	1963			28.3	54.4	139.2	102.0	149.7	3.6	477.2
	1964			34.0	68.0	158.4	123.1	72.1	1.1	456.7
(Fish and marine oils)	1962		411.1	2.7	9.8	17.2	6.5	2.4	.2	38.8
	1963			3.9	12.6	19.6	5.4	2.1	.2	43.8
	1964			4.5	15.5	23.2	6.5	2.5	n.a.	52.2
(Animal and vegetable oils and fats processed)	1962		431	2.1	2.8	5.8	7.7	6.4	.3	25.0
	1963			2.5	3.7	5.3	8.9	7.5	.3	28.2
	1964			3.0	3.8	8.1	10.8	6.0	.4	32.1
Agricultural fats and oils 3/	1962			21.8	37.8	112.6	85.5	99.5	2.9	360.2
	1963			25.1	40.0	119.3	88.2	140.5	3.3	424.4
	1964			30.9	59.6	131.1	106.6	63.7	.1	392.6
Total agricultural 4/	1962			903.0	962.7	4,034.6	2,292.8	1,534.9	101.1	9,829.1
	1963			937.4	1,166.9	3,829.2	2,426.1	2,099.1	134.0	10,514.7
	1964			1,101.6	1,252.2	4,161.0	2,645.2	2,042.5	147.3	11,349.8
Total imports	1962			4,577.4	5,347.5	12,279.5	7,514.8	6,097.8	701.3	36,518.3
	1963			5,126.4	5,967.1	13,018.8	8,724.4	7,581.2	804.3	41,222.2
	1964			5,952.2	7,057.3	14,613.4	10,066.7	7,238.7	885.1	45,713.4

Economic Community, and total Western Europe, 1962, 1963, and 1964--Continued

United Kingdom	Norway	Sweden	Denmark	Austria	Switzerland	Portugal	Ireland	Spain	Finland	Total Western Europe
Million dollars										
116.6	12.3	21.7	8.4	18.7	16.3	3.5	4.3	70.0	2.6	680.9
123.1	15.0	21.8	8.7	18.6	15.6	6.1	4.3	82.4	2.5	775.3
150.0	20.3	21.2	12.4	22.7	16.8	10.9	5.8	29.0	2.7	748.5
24.0	8.0	5.4	2.7	.2	.5	2/	.7	.9	.4	81.7
25.6	11.3	7.6	2.7	.2	.5	2/	.2	1.1	.4	93.4
33.1	16.5	6.9	5.5	.2	.6	---	.2	.9	.6	116.7
5.5	.7	2.8	1.4	4.9	2.9	.4	.6	1.6	.8	46.7
8.8	.9	2.6	1.9	3.3	2.6	.6	1.2	1.5	.7	52.3
11.2	1.0	3.3	2.9	3.1	3.2	.7	1.3	1.6	1.0	61.4
132.3	3.6	14.7	4.3	13.8	12.9	3.1	3.0	68.3	1.7	618.0
136.8	2.9	12.9	4.1	15.4	12.9	5.6	3.1	80.8	1.4	700.3
183.6	2.8	12.6	4.0	19.8	13.6	10.9	4.4	27.4	1.1	672.8
5,402.1	211.1	450.1	360.1	288.6	574.3	144.5	164.1	409.0	172.5	18,005.5
5,808.1	237.8	486.4	359.0	303.8	616.1	176.7	180.2	484.1	221.7	19,388.6
5,011.8	243.3	544.4	427.2	322.0	691.7	203.0	193.5	467.3	219.7	20,673.7
12,577.3	1,654.9	3,111.7	2,116.9	1,551.8	3,000.6	585.4	767.9	1,569.5	1,227.7	64,682.1
13,496.2	1,821.7	3,386.4	2,113.1	1,675.3	3,234.7	656.2	857.8	1,955.1	1,208.4	71,627.1
15,437.7	1,983.1	3,850.1	2,596.1	1,862.8	3,591.3	776.3	971.1	2,244.0	1,505.0	80,530.9

1/ Since these are components of major headings, their values are not duplicated in totals.
2/ Less than $50,000.
3/ Agricultural fats and oils is the sum of 091.3 (Lard), 091.4 (Margarine and shortening), and 4 (Oils and fats) minus 411.1 (Fish and marine oils) and 431 (Processed oils and fats).
4/ Total agricultural is the sum of all major headings except 03 (Fish) and 11 (Beverages) plus 111 (Nonalcoholic beverages) and 112.1 (Wine), minus 081.4 (Meatmeal and fishmeal) and 411.1 (Fish and marine oils), and 431 (Processed oils and fats).

Compiled from O.E.C.D. Statistical Bulletin, Foreign Trade, Series B and C, 1962, 1963 and Series B, 1964 and other official sources. SITC is the Standard International Trade Classification, Revised.

Table 6.--Western Europe: Agricultural exports by country, European

Commodity and year		SITC number: Major headings	SITC number: Sub headings 1/	European Economic Community: Belgium-Luxembourg	Netherlands	West Germany	France	Italy	Greece	Total
				Million dollars						
Live animals	1962	00		7.7	18.1	12.4	28.4	.9	.3	67.8
	1963			21.6	27.1	26.5	39.4	1.3	.5	116.4
	1964			15.5	39.5	34.1	47.1	2.2	.3	138.7
Meat and meat preparations	1962	01		20.4	202.9	15.4	121.0	14.5	2/	374.3
	1963			33.2	263.3	19.3	99.7	16.7	.2	432.4
	1964			28.5	320.5	21.2	100.2	18.5	2/	488.9
Dairy products and eggs	1962	02		34.5	320.5	15.5	100.0	31.0	.4	501.9
	1963			38.6	330.6	17.5	127.2	32.3	.4	546.6
	1964			37.0	311.8	24.2	143.1	35.6	1.0	552.7
Fish and fish preparations	1962	03		7.1	50.8	18.4	16.3	2.2	.5	95.3
	1963			8.0	48.7	23.2	15.4	2.5	.7	98.5
	1964			8.4	54.2	25.8	16.0	2.5	1.3	108.2
Cereals and cereal preparations	1962	04		37.4	55.2	64.9	232.1	49.4	2/	439.2
	1963			57.2	63.6	64.8	356.7	57.2	.1	599.6
	1964			62.7	71.5	94.2	486.8	50.5	.1	765.8
(Wheat and flour)	1962		041,	5.7	1.5	42.6	136.2	10.5	---	196.4
	1963		046	13.1	1.8	37.6	190.6	14.6	---	257.7
	1964			19.3	9.2	49.2	225.3	9.5	---	312.5
(Feedgrains)	1962		043,	3.8	24.2	9.7	65.1	2.2	---	105.0
	1963		044,	10.2	31.1	11.4	135.6	10.0	---	198.3
	1964		045	5.1	27.6	13.2	227.5	19.2	---	292.6
Fruits and vegetables	1962	05		68.4	267.5	25.4	126.4	510.7	63.3	1,061.5
	1963			76.0	272.5	28.9	120.7	471.3	66.8	1,036.3
	1964			74.0	281.1	27.4	117.7	487.2	74.0	1,061.4
Sugar, sugar preparations, and honey	1962	06		13.8	18.6	12.0	94.3	5.0	.3	144.0
	1963			17.5	19.3	6.6	153.5	7.6	.4	204.9
	1964			21.7	19.3	8.7	146.0	3.8	.4	199.9
Coffee, tea, cocoa, spices, etc.	1962	07		12.0	83.4	10.0	14.1	11.7	2/	131.4
	1963			13.6	88.0	11.6	12.4	13.1	.1	138.8
	1964			16.1	98.4	15.8	12.5	13.2	.2	156.2
Animal feed	1962	08		13.5	41.3	24.1	23.2	9.0	2/	111.1
	1963			11.3	45.7	33.4	34.3	8.2	.2	133.1
	1964			15.0	60.1	34.5	49.6	10.0	.1	169.3
(Oilseed cake and meal)	1962		081.3	7.6	21.5	18.9	3.7	6.6	---	58.2
	1963			4.3	21.1	21.2	6.6	5.5	.2	58.9
	1964			4.9	27.7	21.8	9.1	6.3	---	69.8
(Meatmeal and fishmeal)	1962		081.4	1.8	1.6	.5	1.3	2/	---	5.2
	1963			1.5	1.2	.7	2.3	2/	---	5.7
	1964			1.6	1.5	.9	2.4	---	---	6.4
Miscellaneous food preparations	1962	09		8.8	47.2	7.4	18.0	5.0	2/	86.4
	1963			12.7	51.0	8.5	17.4	3.7	2/	93.3
	1964			15.8	61.5	9.4	20.8	5.0	2/	112.5

See footnotes at end of table.

Economic Community, and total Western Europe, 1962, 1963, and 1964

United Kingdom	Norway	Sweden	Denmark	Austria	Switzerland	Portugal	Ireland	Spain	Finland	Total Western Europe
Million dollars										
47.4	.1	3.7	71.9	28.9	3.9	.1	123.5	1.9	.2	349.4
58.9	---	2.8	79.7	40.1	5.9	.7	134.5	5.9	.2	445.1
90.6	---	4.9	79.4	27.5	4.9	.4	172.5	7.5	.4	526.8
12.9	6.7	22.3	404.6	2.3	1.2	.6	89.7	1.2	1.1	917.0
21.2	7.3	25.5	466.4	4.8	1.4	.7	94.7	1.0	1.3	1,056.7
30.4	9.0	26.8	506.8	3.5	1.4	.7	96.1	1.8	1.5	1,166.9
19.7	9.6	19.8	211.1	15.4	43.6	2.2	22.7	.3	24.4	870.5
24.6	11.3	20.5	214.1	18.1	46.4	3.0	31.9	.1	33.0	949.6
24.5	13.7	16.4	220.1	20.2	48.5	3.0	36.0	.3	48.2	983.6
19.8	116.2	9.2	70.3	.3	.6	44.4	4.6	26.2	.2	387.1
21.5	117.7	9.3	74.1	.3	.7	44.5	4.8	26.1	---	397.5
22.9	118.8	8.0	85.4	.3	.6	46.5	5.4	35.2	.1	431.4
64.0	3.1	28.7	23.8	7.3	5.1	.9	4.8	7.1	7.2	591.1
63.6	1.3	28.4	30.3	1.2	5.5	.7	10.4	6.0	4.6	751.6
53.1	1.3	30.5	23.4	2.0	6.1	.8	3.6	9.7	1.4	897.7
.9	2/	8.6	.3	5.7	.1	---	1.7	1.2	4.9	219.8
10.4	2/	12.4	5.6	---	.1	---	3.1	---	3.7	293.0
1.6	2/	12.6	5.4	---	.1	2/	.2	---	1.2	333.6
22.1	2.1	13.7	13.6	.5	2/	2/	.4	.1	2.0	159.5
11.5	2/	9.4	13.2	.3	2/	2/	4.3	.1	.5	237.6
6.0	2/	9.8	10.8	.4	---	2/	.1	.1	---	319.8
25.7	1.3	7.2	16.7	3.3	6.2	16.0	8.2	283.4	.3	1,429.8
25.3	.4	9.3	18.3	2.5	8.1	18.4	7.9	242.8	.1	1,369.4
28.8	.4	6.8	16.9	4.8	7.0	21.0	7.8	335.5	1.3	1,491.7
56.0	.3	1.3	5.6	1.1	1.4	2/	4.8	1.8	.3	216.7
108.4	.4	1.8	16.6	.8	1.6	.1	8.4	3.5	.3	346.8
121.9	.4	1.2	26.6	1.0	1.8	.1	6.1	5.0	.4	364.4
32.3	.4	2.6	1.2	.7	20.9	.4	17.1	4.4	2/	211.4
33.8	.5	2.7	1.6	.9	22.2	.3	15.9	7.4	.1	224.2
33.9	.5	3.1	1.8	1.0	23.0	.8	19.4	6.3	.2	246.2
9.2	9.9	.6	22.8	1.1	.7	1.1	3.3	2.4	.3	162.4
11.1	15.3	.8	24.2	1.9	.2	3.0	4.2	1.2	---	195.0
10.9	27.4	.3	29.9	2.5	.4	2.8	4.0	.8	---	248.3
3.5	.1	2/	10.7	.1	.6	2/	n.a.	---	.2	73.5
n.a.	.5	.2	11.2	.1	.1	1.8	.3	2/	---	73.1
n.a.	.2	---	14.2	---	---	.9	.3	---	---	85.4
.5	9.2	2/	9.0	2/	n.a.	.6	.1	---	2/	24.8
n.a.	14.4	.1	8.4	2/	2/	.6	.4	---	---	29.6
n.a.	26.8	---	9.7	---	---	.8	.4	---	---	44.1
24.6	3.4	2.1	6.0	.6	9.6	.7	1.7	.1	2/	135.3
25.5	3.5	2.3	6.3	1.0	12.4	.9	2.1	.1	---	147.4
28.8	3.8	2.9	7.5	.7	11.3	1.2	3.3	.1	---	172.1

n.a. = Not available.

Continued--

Table 6.--Western Europe: Agricultural exports by country, European

Commodity and year		SITC number: Major headings	SITC number: Sub headings 1/	European Economic Community: Belgium-Luxembourg	Netherlands	West Germany	France	Italy	Greece	Total
				Million dollars						
Beverages	1962	11		8.4	28.5	33.2	245.1	55.8	3.5	374.5
	1963			11.6	27.9	35.1	267.9	62.5	4.1	409.1
	1964			14.2	30.5	37.8	286.5	67.0	4.4	440.4
(Nonalcoholic)	1962		111	.6	3.0	.7	9.0	.7	2/	14.0
	1963			.9	2.9	.8	9.1	.8	2/	14.5
	1964			1.4	2.9	1.1	9.5	1.1	2/	16.0
(Wine)	1962		112.1	2.0	.3	11.8	137.3	51.6	2.9	205.9
	1963			3.4	.4	13.0	152.6	58.1	3.5	231.0
	1964			3.8	.3	13.6	166.4	61.9	3.7	249.7
Tobacco, unmanufactured	1962	121		2.3	3.8	1.5	5.5	21.1	71.4	105.6
	1963			2.5	4.4	1.6	4.9	15.2	118.1	146.7
	1964			2.6	6.5	2.0	2.6	9.9	119.3	142.9
Hides and skins	1962	21		11.1	22.6	26.3	37.3	16.4	10.3	123.9
	1963			11.1	21.7	27.1	37.5	13.7	11.0	122.1
	1964			12.0	24.7	27.6	38.2	16.4	12.2	131.1
Oil-seeds, oil nuts and oil kernels	1962	22		3.1	5.6	.8	11.8	.7	.2	22.2
	1963			4.3	7.5	1.1	13.0	.8	.3	27.0
	1964			4.4	7.8	1.2	21.0	.8	.2	35.4
Natural rubber	1962	231.1		1.1	.2	.6	.2	.1	---	2.3
	1963			1.1	.3	.3	.4	.1	---	2.2
	1964			1.0	.2	.6	.2	---	---	2.0
Natural fibers	1962	261-265		141.5	35.9	40.5	137.6	15.1	42.1	412.6
	1963			155.6	43.3	42.4	161.1	19.1	32.9	454.4
	1964			147.3	43.5	44.8	166.4	19.3	33.1	454.4
Crude animal and vegetable materials, n.e.s.	1962	29		25.4	148.2	29.8	36.1	43.6	5.0	288.0
	1963			25.4	154.5	34.9	34.7	40.5	3.7	293.7
	1964			27.1	181.7	40.7	39.1	49.4	5.0	343.0
Animal and vegetable oils and fats	1962	4		13.7	50.3	36.5	23.8	10.8	5.9	141.0
	1963			12.2	46.4	39.1	24.2	10.7	3.5	136.1
	1964			13.4	45.8	45.0	26.4	14.8	.5	145.9
Agricultural oils and fats 3/	1962			14.6	62.8	21.8	30.3	10.8	5.9	146.0
	1963			12.2	60.2	23.0	29.7	10.0	3.5	138.6
	1964			14.0	66.1	26.7	33.8	14.0	.5	155.1
Total agricultural 4/	1962			412.9	1,308.3	319.2	1,152.4	797.1	202.0	4,191.7
	1963			494.3	1,427.2	359.2	1,393.5	769.6	241.8	4,685.6
	1964			486.7	1,538.5	371.5	1,575.7	782.6	248.4	5,003.4
Total exports	1962			4,344.4	4,584.6	13,263.6	7,359.2	4,698.0	248.6	34,498.5
	1963			4,852.8	4,961.8	14,615.6	8,079.6	5,074.7	290.1	37,874.1
	1964			5,617.9	5,808.1	16,215.0	8,990.3	5,962.4	308.6	42,902.3

1/ Since these are components of major headings, their values are not duplicated in totals. 2/ Less than $50,000. 3/ Agricultural fats and oils include lard, margarine and shortening and all other oils and fats except marine and processed. 4/ Total agricultural is the sum of all major headings except 03 (Fish) and 11 (Beverages) plus 111 (Nonalcoholic beverages) and 112.1 (Wine), minus 081.4 (Meatmeal and fishmeal), Marine oil, and Processed oils and fats. n.e.s. = Not elsewhere specified.

Economic Community, and total Western Europe, 1962, 1963, and 1964--Continued

United Kingdom	Norway	Sweden	Denmark	Austria	Switzerland	Portugal	Ireland	Spain	Finland	Total Western Europe
Million dollars										
258.2	.4	.4	18.4	1.1	1.3	28.4	20.3	34.2	.1	737.3
271.9	.8	.5	21.0	1.2	1.7	32.1	20.8	38.9	.1	798.1
299.3	1.1	.5	24.3	1.6	1.9	38.9	21.3	44.3	.2	873.8
4.8	2/	.1	.4	.1	.1	.2	.1	2/	---	20.0
5.6	2/	.1	.5	.1	.1	.2	.1	.1	---	21.3
7.2	2/	.1	.6	.1	.2	.3	.1	.1	---	24.7
1.1	---	2/	.1	.4	.4	27.5	---	31.6	2/	267.0
1.0	---	2/	.5	.4	.5	30.7	n.a.	36.5	---	300.6
1.1	---	---	.6	.8	.6	37.3	n.a.	40.9	---	331.0
2/	2/	.1	.2	.3	.1	---	---	---	---	106.3
2/	2/	2/	.6	.1	2/	---	---	.1	---	147.5
2/	2/	2/	.3	2/	2/	2/	2/	---	---	143.2
13.9	23.3	28.5	28.9	2.6	8.4	.5	2.8	6.2	13.9	253.1
12.0	25.6	32.1	30.7	2.6	7.8	.4	3.6	5.9	14.6	257.4
14.5	27.2	32.7	44.6	2.7	7.7	.4	4.2	8.9	18.6	292.6
.2	---	2.1	3.7	.2	2/	2/	n.a.	.2	---	28.7
.2	---	3.8	5.9	.3	2/	2/	---	.5	---	37.7
.5	---	5.9	6.6	.9	---	2/	---	.4	---	49.7
n.a.	2/	1.2	2/	---	2/	2/	n.a.	---	---	3.6
---	---	1.2	2/	---	---	2/	n.a.	---	---	3.4
---	---	1.4	---	---	---	---	n.a.	---	---	3.4
177.6	1.5	2.4	2.5	1.8	7.1	3.1	15.3	5.7	.2	629.7
218.3	1.8	3.6	2.5	2.1	8.2	2.5	17.8	13.1	---	724.2
203.9	1.8	2.6	2.7	2.2	7.2	1.1	13.6	8.0	---	697.5
10.9	3.0	4.0	43.5	2.2	4.1	2.9	2.6	9.0	1.3	371.5
9.4	3.3	4.3	49.9	2.4	4.5	3.0	2.1	10.4	1.5	384.5
10.9	4.1	4.3	53.9	2.4	4.6	3.5	2.1	11.4	1.6	441.8
18.8	29.9	11.0	19.0	.4	2.0	12.5	1.6	44.9	1.0	282.1
22.4	28.9	11.2	21.5	.6	2.3	6.4	1.8	49.1	2.0	282.3
16.2	35.4	11.2	22.1	.6	2.4	7.3	2.4	57.3	2.9	303.7
17.0	3.9	7.9	17.8	.3	1.1	11.0	1.9	44.8	.3	252.1
19.4	3.5	7.4	19.2	.8	2.4	4.9	2.0	48.7	1.4	248.1
13.7	3.8	6.3	19.9	.5	1.8	6.0	2.6	57.0	1.9	268.6
512.2	54.3	133.5	847.0	68.8	114.0	66.2	297.8	400.3	49.4	6,735.2
633.5	57.1	145.8	954.2	79.9	126.2	68.5	334.6	383.2	57.1	7,525.7
612.4	90.3	139.6	1,031.7	67.1	120.1	78.2	369.3	486.9	72.3	8,071.3
10,610.3	973.2	2,920.3	1,625.2	1,263.5	2,200.1	369.8	472.9	736.0	1,104.1	56,773.9
11,423.9	1,073.6	3,199.5	1,864.1	1,325.9	2,401.7	418.2	535.6	735.6	1,149.4	62,000.9
11,911.5	1,290.8	3,669.0	2,075.3	1,446.2	2,632.0	515.7	607.1	954.4	1,291.3	69,295.6

Compiled from O.E.C.D. Statistical Bulletin, Foreign Trade, Series B and C, 1962, 1963, and Series B, 1964, and other official sources. SITC is the Standard International Trade Classification, Revised.

Note: Trade data for the United Kingdom do not include re-exports.

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